

October 27, 2010

Honorable James M. Peck  
One Bowling Green  
Courtroom 601  
New York, NY 10004

**RE: United States Bankruptcy Court Southern District of New York  
In re Lehman Brothers Holdings Inc., et al., Debtors  
Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)**

**Notice of Hearing on Debtors' Fifty-Eighth Omnibus Objection to  
Claims (No Supporting Documentation Claims)**

**Lehmann Brothers Holdings Claim Number 12269  
for John R. Carlson and June L. Carlson**

Honorable James M. Peck,

In response to the recent "Notice of Hearing on Debtors' Fifty-Eighth Omnibus Objection to Claims (No Supporting Documentation Claims)", we would like to submit the supporting documentation for the purchase of 600 shares of Lehman Capital Trust IV on June 20, 2008 and request our claim to be allowed and the objection to be overturned.

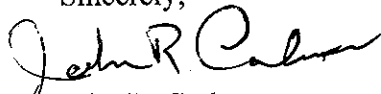
Enclosed are the following supporting documents:

- Trade Confirmation for 06/20/2008 Purchase
- December 2008 Client Statement
- September 2009 Client Statement
- September 2010 Client Statement

Please direct any replies to my response as follows:

John R. Carlson and June L. Carlson  
6832 Stonewood Court  
Eden Prairie, MN 55346  
Home Phone 952-937-8649  
E-Mail [johjun007@usfamily.net](mailto:johjun007@usfamily.net)

Sincerely,

  
John R. Carlson

  
June L. Carlson

Encl

**United States Bankruptcy Court/Southern District of New York**

Lehman Brothers Holdings Claims Processing Center  
c/o Epiq Bankruptcy Solutions, LLC  
FDR Station, P.O. Box 5076  
New York, NY 10150-5076

In Re: **Lehman Brothers Holdings Inc., et al.**  
Debtors.

Chapter 11  
Case No. 08-13555 (JMP)  
(Jointly Administered)

Name of Debtor Against Which Claim is Held

Case No. of Debtor

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)

Name and address of Creditor: (and name and address where notices should be sent if different from Creditor)

**JOHN R CARLSON & JANE L CARLSON**  
**6832 STONEWOOD CT.**  
**EDEN PRAIRIE, MN 55346**

Telephone number: **952-937-8699** Email Address:

Name and address where payment should be sent (if different from above)

Telephone number: Email Address:

1. Amount of Claim as of Date Case Filed: \$ **10,300**

If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete Item 5.

If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9), complete Item 6.

☐ Check this box if all or part of your claim is based on a Derivative Contract.\*  
☐ Check this box if all or part of your claim is based on a Guarantee.\*

\*IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO <http://www.lehman-claims.com> AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on <http://www.lehman-claims.com> if claim is based on a Derivative Contract or Guarantee.

2. Basis for Claim: **MONEY LOANED**  
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: \_\_\_\_\_

3a. Debtor may have scheduled account as: \_\_\_\_\_  
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other

Describe: \_\_\_\_\_

Value of Property: \$ \_\_\_\_\_ Annual Interest Rate \_\_\_\_\_%

Amount of arrearage and other charges as of time case filed included in secured claim, if any:

\$ \_\_\_\_\_ Basis for perfection: \_\_\_\_\_

Amount of Secured Claim: \$ \_\_\_\_\_ Amount Unsecured: \$ \_\_\_\_\_

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$ \_\_\_\_\_  
(See instruction #6 on reverse side.)

7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary.  
**DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.**  
If the documents are not available, please explain:

Date:

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

**John R. Carlson & Jane L. Carlson**

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**JOHN R. CARLSON JANE L. CARLSON**

**PROOF OF CLAIM**

Filed: USBC - Southern District of New York

Lehman Brothers Holdings Inc., Et Al.

08-13555 (JMP)

0000012269



**THIS SPACE IS FOR COURT USE ONLY**

☒ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: **12269**  
(If known)

Filed on: **9/14/2009**

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim:

- ☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).  
☐ Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).  
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).  
☐ Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).  
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).  
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(\_\_\_\_\_).

Amount entitled to priority:

\$ \_\_\_\_\_

**FOR COURT USE ONLY**

**FILED / RECEIVED**

**SEP 14 2009**

**EPIC BANKRUPTCY SOLUTIONS, LLC**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

**LEHMAN BROTHERS HOLDINGS INC., et al.,  
Debtors.**

**Chapter 11 Case No.**

**08-13555 (JMP)**

**(Jointly Administered)**

LBH OMNI58 10-13-2010 (MERGE2,TXNUM2) 4000059006 MAIL ID \*\*\* 0035611739 \*\*\* BSIUSE: 276

CARLSON, JOHN R. & JANE L.  
6832 STONEWOOD CT.  
EDEN PRAIRIE, MN 55346

**THIS IS A NOTICE REGARDING YOUR CLAIM(S). YOU MUST READ IT  
AND TAKE ACTION IF YOU DISAGREE WITH THE OBJECTION.**

**IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR THE OBJECTION,  
PLEASE CONTACT DEBTORS' COUNSEL, ERIK ENCARNACION, ESQ., AT 214-746-7700.**

**NOTICE OF HEARING ON DEBTORS' FIFTY-EIGHTH  
OMNIBUS OBJECTION TO CLAIMS (NO SUPPORTING DOCUMENTATION CLAIMS)**

CLAIM TO BE DISALLOWED & EXPUNGED	
Creditor Name and Address: CARLSON, JOHN R. & JANE L. 6832 STONEWOOD CT. EDEN PRAIRIE, MN 55346	Claim Number: 12269 Date Filed: 9/14/2009 Debtor: No Case Classification and Amount: UNSECURED: \$ 10,300.00

PLEASE TAKE NOTICE that, on October 13, 2010, Lehman Brothers Holdings Inc. and certain of its affiliates (collectively, the "Debtors") filed their Fifty-Eighth Omnibus Objection to Claims (No Supporting Documentation Claims) (the "Objection") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").<sup>1</sup>

The Objection requests that the Bankruptcy Court expunge, reduce, reclassify, and/or disallow your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED on the ground that said claim violates the Bankruptcy Court's July 2, 2009 order setting forth the procedures and deadlines for filing proofs of claim in these chapter 11 cases (the "Bar Date Order") [Docket No. 4271], as it does not include supporting documentation or an explanation as to why such documentation is unavailable. Any claim that the Bankruptcy Court expunges and disallows will be treated as if it had not been filed and you will not be entitled to any distribution on account thereof.

If you do NOT oppose the disallowance, expungement, reduction or reclassification of your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED, then you do NOT need to file a written response to the Objection and you do NOT need to appear at the hearing.

If you DO oppose the disallowance, expungement, reduction or reclassification of your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED, then you MUST file with the Court and serve on the parties listed below a written response to the Objection that is received on or before 4:00 p.m. Prevailing Eastern Time on November 15, 2010 (the "Response Deadline").

<sup>1</sup> A list of the Debtors, along with the last four digits of each Debtor's federal tax identification number, is available on the Debtors' website at <http://www.lehman-docket.com>.

Called left message  
Mark Johnson 10/18-17/5475

Morgan Stanley

*This transaction is confirmed in accordance  
with the explanations and conditions  
stated on the reverse side.*

Your Account Number: 319-061364-0-301

Cash Account - Active Assets

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS  
6832 STONEWOOD COURT  
EDEN PRAIRIE, MN 55346-2946

Your Financial Advisor  
MARK L. JOHNSON  
294 EAST GROVE LANE, SUITE 220  
WAYZATA, MN 55391  
(952) 475-4100

**You Bought**

Trade Date 06/20/08 for Settlement on 06/25/08

Quantity	600	Price	17.51	Settlement Amount
<b>Description:</b> LEHMAN CAPITAL TRUST IV MATURES 10/31/2052 COUPON 6.375% FIXED COUPON PAYABLE QUARTERLY ON FEB, MAY, AUG, NOV 2nd ISSUE DATE 10/31/2003 FIRST COUPON DATE 02/02/2004  YIELD TO MATURITY 9.302% NEXT CALL DATE: 10-31-08 NEXT CALL PRICE: 25.000 CALLABLE AT ANY TIME FROM 10-31-08 TO 10-31-52. MORGAN STANLEY ACTED AS PRINCIPAL. EXECUTED OVER THE COUNTER. A PORTION OF THE PRINCIPAL AMOUNT SHOWN REPRESENTS ACCRUED INTEREST. THIS INFORMATION IS PROVIDED TO ASSIST YOU IN TAX PREPARATION. ACCRUED INTEREST MAY BE USED TO ADJUST YOUR COST BASIS. PLEASE CONSULT YOUR TAX ADVISOR. THIS DEBT SECURITY MAY BE REDEEMED/ACCELERATED IN WHOLE OR PART BEFORE MATURITY. THIS REDEMPTION/ACCELERATION COULD AFFECT THE YIELD REPRESENTED; ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST. ADDITIONAL CALL FEATURES EXIST				Principal \$10,506.00 Processing Fee 5.25  Net Amount \$10,511.25
Investment and services are offered through Morgan Stanley & Co. Incorporated, member SIPC				Security No. 52520B206 Symbol LEH.L

# CODES, ABBREVIATIONS AND EXPLANATIONS

## EXCHANGE WHERE EXECUTED

- 1 New York Stock Exchange
- 2 Pacific Stock Exchange
- 3 Philadelphia Stock Exchange
- 4 Chicago Stock Exchange
- 5 American Stock Exchange
- 6 Other Markets
- 7 Over the Counter
- 8 Morgan Stanley as principal which may result in a profit to Morgan Stanley.

## EXECUTION CODE

- 1, 2, 3, 4, 5, 9, F, L, P, T, V OR W: As agent we have bought or sold for your account
- 6: As agent for another we have sold to you or bought from you
- 7, C, E, G, N, OR S: As principal we sold to you or bought from you for our own account
- 8 OR U: Prospectus/Official Statement
- A, B, C, X, Y, OR Z: Primary and Secondary Unit Trust or listed and OTC when issued Securities
- K: Precious Metals
- M, R: Mutual Funds

## COMBINED EXCHANGE AND EXECUTION CODES FOR OPTIONS ONLY:

### ALL TRADES DONE AS AGENT

- 17 International Securities Exchange
- 27, 2Z Pacific Stock Exchange
- 37, 3Z Philadelphia Stock Exchange
- 46, 4Y NASDAQ Stock Exchange
- 47, 4Z Chicago Board Options Exchange
- 57, 5Z American Stock Exchange
- 67, 6Z Boston Stock Exchange
- 7W, 7Y, 7Z Exercise and Assignment

## OTHER ABBREVIATIONS

- ELTR Estimated Long Term Return
- CR Current Return
- PV Par Value

## FINAL PROSPECTUS AVAILABLE

Indicates that these securities are being sold pursuant to an SEC registration statement or where a prospectus is otherwise required. For assistance obtaining a copy of the final prospectus relating to these securities, you may contact us at 800-584-6837.

# CONDITIONS

## IT IS AGREED THAT

All transactions are subject to the rules, regulations, requirements and customs of the exchange or market (and its clearing agency, if any) where executed, the regulations of the Federal Reserve Board and the Securities and Exchange Commission.

Payment for securities purchased must be received by us no later than the Settlement Date indicated on the reverse side hereof. Payments not received by Settlement Date may be subject to late payment fees.

Securities held in margin accounts or purchased but not yet paid for in cash accounts may be hypothecated by Morgan Stanley under circumstances which will permit the commingling thereof with securities of other clients.

Securities sold "long" must be on deposit in your account or delivered to us by Settlement Date.

Morgan Stanley will furnish, upon written request, the date and time when the transaction took place, the name of the other party to the transaction and the source and amount of any other remuneration received or to be received by us in connection with the transaction.

Morgan Stanley accepts benefits that constitute payment for order flow. Details regarding these benefits will be furnished upon written request.

When Morgan Stanley is acting as principal in a reported security, the price shown is the reported trade price made in accordance with the last sale reporting requirements.

Debt securities may be redeemed in whole or in part before maturity, and such a redemption could affect any yield represented in this trade confirmation. Additional information is available upon request.

Credit rating(s), if any, contained on this trade confirmation were provided by an unaffiliated third party. In some instances, the credit rating shown is based on the issuer's credit ranking and not the credit rating of the specific security purchased or sold. For an explanation of credit ratings for bonds, please see <http://www.morganstanleyindividual.com/markets/bondcenter/school/credit/default.asp>, or request a copy from your Financial Advisor.

Insurance trades are subject to carrier underwriting approval.

Any inquiries regarding this transaction should be made by using the telephone number provided on the reverse side.

This transaction is conclusive and binding if not objected to in writing within five days of receiving this trade confirmation.

All Good Till Cancelled (GTC) orders will expire 90 calendar days from the day they reach the market place. Until expiration, all open orders are considered good until cancelled by you or executed by us. When entering a substitute order or changing an existing order, the responsibility for canceling the original order rests upon the customer. Therefore, if a customer fails to cancel an existing order, transactions resulting from the execution of both the original and new order(s) will be entered in the customer's account.

This agreement shall inure to the benefit of any successor or assignee of Morgan Stanley & Co. Incorporated.

**Morgan Stanley**

# CHARGES AND FEES

- CHARGE** Represents the markup/down from the wholesaler's or dealer's price.
- TRANS FEE** Represents a pass through of exchange floor, brokerage and clearing expenses incurred by Morgan Stanley for this transaction.
- FSCF** Represents a pass through of Foreign Securities clearance fees incurred by Morgan Stanley for this transaction.
- SUPPLEMENTAL TRANSACTION FEE** Represents fee to offset additional expenses associated with processing certain transactions.
- PROCESSING FEE** Represents processing charges for certain executed orders.
- CDSC** Represents Contingent Deferred Sales Charge.
- DSC** Represents Deferred Sales Charge.
- ER FEE** Represents Early Redemption Fee.
- MF TRANS FEE** Represents Mutual Fund Transaction Fee, if applicable, as charged by Morgan Stanley.

# BACKUP WITHHOLDING

Under Federal Income Tax Law, the customer is required to provide Morgan Stanley with a certification of the customer's Social Security or Taxpayer Identification Number. In the absence of such certification, Morgan Stanley is required to withhold taxes from the proceeds of sales at the current withholding rate.

# GROSS PROCEEDS

If the transaction being confirmed is a sale or a redemption, this information will be furnished to the Internal Revenue Service.

Your Financial Advisor  
 MARK L. JOHNSON  
 SENIOR VICE PRESIDENT  
 MORGAN STANLEY  
 294 EAST GROVE LANE, SUITE 220  
 WAYZATA, MN 55391  
 (952) 475-4100

## ACTIVE ASSETS ACCOUNT<sup>®</sup> FOR MONTH ENDING DECEMBER 31, 2008

PAGE 1 OF 25

Account Number  
 319 061364 301

AAA Customer Service  
 1-800-869-3326  
 Householding Anniv. Date:  
 10/25/2002

55346  
 (553462946321)  
 JOHN R CARLSON &  
 JUNE L CARLSON JTWROS  
 6832 STONEWOOD COURT  
 EDEN PRAIRIE MN 55346-2946

Access Your Account at:  
 www.morganstanley.com/online

### Asset Summary

	Value	% of Assets
Bank Deposits* and MMF	\$43,993.01	10.1%
Stocks	16,457.89	3.9
Municipal Bonds	0.00	0.0
Corporate Fixed Income	31,203.72	7.2
Government Securities	0.00	0.0
Mutual Funds	157,298.56	36.4
Unit Investments Trusts	51,700.72	12.0
Certificates of Deposit	0.00	0.0
Annuities/Insurance	131,263.51	30.4
Other	0.00	0.0
Asset Value	\$431,917.41	100.0%
Cash	4.92	
<b>Total Asset Value</b>	<b>\$431,922.33</b>	

### Income Summary

	This Month	Year-To-Date
Bank Deposits* and MMF	\$0.00	\$586.21
Stocks	84.81	1,555.09
Municipal Bonds	8.17	2,526.38
Corporate Fixed Income	410.99	2,779.53
Government Securities	0.00	0.00
Mutual Funds	628.62	6,507.55
Unit Investment Trusts	135.13	3,398.84
Certificates of Deposit	0.00	0.00
Other	0.00	0.00
<b>Total Income</b>	<b>\$1,267.72</b>	<b>\$17,353.60</b>
Taxable Income	\$551.04	\$7,567.14
Tax Exempt Income	\$716.68	\$9,786.46

\*Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.

Investments and services are offered through Morgan Stanley & Co. Incorporated, member SIPC.

### Activity Summary

**Total Asset Value November 30 2008** \$427,299.86  
**Bank Deposits\*/Cash/Money Market Funds Activity for December**  
 Closing Balance 11/30 \$43,070.88

<b>Credits To Your Account</b>	
Dividends and Interest	1,267.72
Deposits	0.00
Sales Proceeds/Redemptions	25,475.83
Other Credits	62.34
<b>Total Credits</b>	<b>26,805.89</b>
<b>Debits To Your Account</b>	
Checking	0.00
World Card	0.00
Withdrawals	0.00
Funds to Purchase Securities	-25,878.84
Other Debits	0.00
<b>Total Debits</b>	<b>-25,878.84</b>
<b>Closing Balance 12/31</b>	<b>43,997.93</b>

### Net Change Bank Deposits\*/Cash/MoneyMarket Funds Activity

927.05

<b>Changes in Asset Value for December</b>	
Value of Priced Assets 11/30	\$384,228.98
Securities Bought	25,878.84
Securities Received	0.00
Securities Sold/Redeemed	-25,475.83
Securities Delivered	0.00
Transactions at Fund Company	0.00
<b>Change in Value of Priced Assets</b>	<b>3,292.41</b>
<b>Value of Priced Assets 12/31</b>	<b>387,924.40</b>

### Net Change in Asset Value

3,695.42

**Total Asset Value as of December 31 2008** \$431,922.33

**ACTIVE ASSETS ACCOUNT<sup>®</sup>**  
**FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 2 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301**ASSET DETAILS****Cash/Money Market Funds/Bank Deposits**

CASH

MS ACTIVE ASSETS TAX FR TRUST

**Total Money Market Funds****Total Cash and Money Market Funds**

Net Change Since Last Statement

**Stocks****Common Stocks**

229	* DELTA AIR LINES INC NEW	11.46	2,624.34	0.7%	0	0.00%	DAL	Next Dividend Payable 01/09
42,167*	DWS DREMAN VALUE INC EDGE FUND	4.02	169.51	N/A	30	17.91%	DHG	Next Dividend Payable 01/09
1,339,612*	MINNESOTA MUNI INC PORTFOLIO	10.20	13,664.04	3.2%	964	7.05%	MXA	

**Total Stocks**

Net Change Since Last Statement

**Corporate Fixed Income\*\*****Corporate Bonds**

10,000	CONTRA DELTA AIR LINES INC 7.700% JUN/DEC 15 DUE 12/15/05 IN DEFAULT	1.875	187.50	N/A	0	0.00%	0.00	S&P D ISSUE 12/14/99 CUSIP 24799AKA9
10,000	WELLS FARGO REVERSE CONVERT BY BARCLAYS 10.00% MONTHLY 29 DUE 02/27/09	89.700	8,970.00	2.1%	0	0.00%	0.00	ISSUE 02/29/08 CONVERTIBLE CUSIP 06738RFE1
9,000	* GENERAL MOTORS ACCEPTANCE CORP NOTES 7.750% JAN/JUL 19 DUE 01/19/10	89.188	8,026.92	1.9%	697	8.68%	313.87	YIELD TO MATURITY 19.6220% MOODY C S&P D ISSUE 01/19/00 CUSIP 370425RP7

\*\*The "Current Price" and "Value" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.

ACTIVE ASSETS ACCOUNT<sup>®</sup>  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 3 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

## Corporate Fixed Income\*\*

## Corporate Bonds

	Current Price	Value	Pct of Assets	Est Yrly Income	Current Yield	Accruing Interest	Additional Information
10,000 * FORD MOTOR CREDIT CO LLC 7.800% JUN/DEC 01 DUE 06/01/12	70.157	7,015.70	1.6%	780	11.11%	64.99	YIELD TO MATURITY 20.3250% MOODY CAA1 S&P CCC+ ISSUE 05/22/07 CUSIP 345397VG5
10,000 * MGM MIRAGE 6.750% MAR/SEP 01 DUE 09/01/12	70.000	7,000.00	1.6%	675	9.64%	224.99	YIELD TO MATURITY 18.3310% MOODY BAA3 (-) S&P BB- ISSUE 08/25/04 CUSIP 552953AL5
		31,200.12	7.2%	2,152	6.89%	603.85	

## Total Corporate Bonds

## Fixed-Rate Capital Securities

600 LEHMAN CAPITAL TRUST IV 6.375% QTRLY FEB DUE 10/31/52 CALLABLE \$25.00 ON 01/31/09	.00	3.60	N/A	0	0.00%	0.00	MOODY C CUSIP 52520B206
--	-----	------	-----	---	-------	------	----------------------------

## Total Corporate Fixed Income

Net Change Since Last Statement

\$31,203.72 7.2% \$2,152 6.89% \$603.85

\$7,890.19

Watchlist and CreditWatch Indicators (\*) = developing/uncertain (+) = On Watchlist/CreditWatch Upgrade (-) = On Watchlist/CreditWatch Downgrade  
For more information on Watchlist and CreditWatch Indicators, please go to our website at [www.morganstanley.com/bondratings](http://www.morganstanley.com/bondratings).

## Mutual Funds

## Morgan Stanley Mutual Funds

	Current Price	Value	Pct of Assets	Est Yrly Income	Distribution Rate	Fund Plan Number	Symbol	Dividend/ Cap Gains Option
1,733.120 MS PRIME INCOME TRUST	5.1700	8,960.23	2.1%	768	8.57%		XPITYX	Reinv/Reinv

\*\*The "Current Price" and "Value" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.



**ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 4 OF 25

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROSAccount Number  
319 061364 301

Mutual Funds	Current Price	Value	Pct of Assets	Est Yrly Income	Distribution Rate	Fund Plan Number	Symbol	Dividend/ Cap Gains Option
--------------	---------------	-------	---------------	-----------------	-------------------	------------------	--------	----------------------------------

**Other Mutual Funds**

12,015.646 VAN KAMPEN HIGH YIELD MUNI C  
3,535.920 FIDELITY MN MUNI INC  
2,735.050 VAN KAMPEN HIGH YIELD MUNI A

**Total Other Mutual Funds****Total Mutual Funds**

Net Change Since Last Statement

**Unit Investment Trusts****Equity Trusts**

1,485 \* UNIT VAN KAMPEN GLOBAL 45  
DIVIDEND STRATEGY 2008-1  
1,193 UNIT VAN KAMPEN COHEN&STEERS  
INTERNATIONAL REAL ESTATE 08-2  
774 \* UNIT VAN KAMPEN SELECT 10  
INDUSTRIAL 2008-4  
42 UNIT VAN KAMPEN SELECT 10  
INDUSTRIAL 2008-5  
1,156 \* UNIT VAN KAMPEN SELECT 10  
INDUSTRIAL 2008-5  
851 UNIT VAN KAMPEN BIRINYI EQUITY  
SELECT TRUST SERIES 21  
1,147 UNIT VAN KAMPEN COHEN & STEERS  
VALUE EQUITY & INCOME 2008-4  
997 UNIT CLAYMORE DELTA GLOBAL  
INTERNATIONAL INFRASTRUCTURE 2

**Total Unit Investment Trusts**

Net Change Since Last Statement

Current Price	Value	Pct of Assets	Est Yrly Income	Current Yield	Accruing Interest	Par Value	Reinvest Option
5.4574	8,104.23	1.9%	489	6.04%	N/A	N/A	Full
4.9527	5,908.57	1.4%	0	0.00%	N/A	N/A	Full
6.6922	5,179.76	1.2%	337	6.52%	N/A	N/A	Full
6.1543	258.48	0.1%	17	6.61%	N/A	N/A	N/A
6.1543	7,114.37	1.6%	470	6.61%	N/A	N/A	Full
8.7461	7,442.93	1.7%	222	2.98%	N/A	N/A	Full
9.0729	10,406.61	2.4%	1,388	13.34%	N/A	N/A	Full
7.3077	7,285.77	1.7%	291	4.00%	N/A	N/A	Full
	\$51,700.72	12.0%	\$3,217	6.22%	0.00	0.00	
	\$1,114.38						

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 5 OF 25

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROSAccount Number  
319 061364 301

Annuitants/Insurance	Invested Premium	Value	Pct of Assets	Fixed Rate	Inception Date	Renewal Date	Additional Information
<b>Fixed Rate Annuities</b>							
SCHEDULED ANNUITY MANAGER	8,573	9,506.86	2.2%		10/06/00		Policy # 399719 Carrier: ALLSTATE Qualified IRA As Of 12/29/08
FIXED FIVE YEAR		9,506.86		3.25%		10/05/10	
ALLSTATE T-LINK PLUS	13,737	15,387.59	3.6%		09/26/05		Policy # 743533 Carrier: ALLSTATE As Of 12/29/08
5 YEAR FIXED		15,387.59		3.35%		09/25/10	
ALLSTATE T-LINK PLUS	21,054	23,657.91	5.5%		11/18/05		Policy # 748674 Carrier: ALLSTATE As Of 12/29/08
5 YEAR FIXED		23,657.91		3.75%		11/17/10	
ALLSTATE T-LINK PLUS	31,423	35,123.87	8.1%		01/20/06		Policy # 752957 Carrier: ALLSTATE As Of 12/29/08
5 YEAR FIXED		35,123.87		3.70%		01/19/11	
ALLSTATE T-LINK PLUS	13,232	14,635.84	3.4%		08/07/06		Policy # 772463 Carrier: ALLSTATE As Of 12/29/08
5 YEAR FIXED		14,635.84		4.30%		08/06/11	
<b>Total Fixed Rate Annuities</b>		98,312.07	22.8%				
<b>Variable Rate Annuities</b>							
AXA EQUITABLE - ELITE 07	61,777	32,951.44	7.6%		11/20/07		Policy # 307740726 Carrier: EQUITABLE LIFE As Of 12/29/08
EQ/ALLIBERN INTERNATIONAL		8,485.36		N/A			
EQ/ALLIBERN SMALL CAP GRO		3,175.84		N/A			
EQ/MARSICO FOCUS		6,865.14		N/A			
EQ/LORD ABBETT GRWTH IN		10,934.69		N/A			
EQ/LORD ABBETT MID CAP VA		3,490.41		N/A			
<b>Total Variable Rate Annuities</b>		32,951.44	7.6%				

**ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 6 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

Account Number  
319 061364 301

**Annuities/Insurance**

**Total Annuities/Insurance**

Net Change Since Last Statement

Invested Premium	Value	Pct of Assets	Fixed Rate	Inception Date	Renewal Date	Additional Information
---------------------	-------	------------------	---------------	-------------------	-----------------	------------------------

\$131,263.51 30.4%

\$1,130.41

Insurance and annuity products and values are displayed for informational purposes only. Values reflect in force insurance purchased through Morgan Stanley & Co. Incorporated as of date shown as reported by the Insurance carrier. Amounts shown may be subject to surrender and other contract charges. Invested premium is defined as either the original purchase price plus additions minus withdrawals or principal withdrawals.

Display of insurance or annuity products on the Morgan Stanley account statement does not confer or imply ownership or beneficial interest on the part of the Morgan Stanley account holder. All ownership, rights, benefits and payments are controlled by the contract between the insurance company and the contract owner as shown on your policy copy.

Annuitized information as provided by the insurance carrier reflects the value of the last payment made as per your instructions and does not imply that the funds were re-deposited into a Morgan Stanley & Co. Incorporated account and are provided for informational purposes only. Surrendered or annuitized policies will not appear as assets on this statement.

**Asset Summary**

**Total Asset Value**

Total Net Change In Priced Assets Since Last Statement

Value	Est Yrly Income
-------	--------------------

\$431,922.33 \$16,915

\$3,695.42

**If you hold Auction Rate Securities, please see the Message Center for important information regarding the pricing of these securities.**

**ACTIVE ASSETS ACCOUNT<sup>®</sup>**  
**FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 7 OF 25

Account Number  
319 061364 301

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

**Authorized Limit**

Your Authorized Limit equals:  
43,993.01 Bank Deposits and MMF balance  
4.92+ cash balance  
31,306.07+ loan amount available to you  
based on a percent of the  
assets in your margin account##  
(identified by asterisk)  
.00 - debit balance.  
\$75,304.00 Authorized Limit

## Please see the last page of your statement for more information regarding margin loans.

## CREDITS TO YOUR ACCOUNT

**Dividends and Interest**

Date	Activity	Description	Amount	Income Category
12-01	Taxable Interest	PMCC	390.00	Corporate Fixed Income
12-25	Dividend	UNIT VK SELECT 10 INDUS 2008-4	19.76	Unit Investment Trusts
12-25	Dividend	UNIT VK SELECT 10 INDUS 2008-5	26.52	Unit Investment Trusts
12-25	Dividend	UNIT VK SELECT 10 INDUS 2008-5	.87	Unit Investment Trusts
12-25	Dividend	UNIT VK VALUE EQUITY & INC 084	87.98	Unit Investment Trusts
12-29	Taxable Interest	REV CVT ON WFC 10000 09FB27	20.99	Corporate Fixed Income
12-31	Dividend	DWS DREMAN VALUE INC EDGE FUND	4.92	Stocks
		Sub Total Taxable Income	551.04	

**Taxable Income**

**ACTIVE ASSETS ACCOUNT ®**  
**FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 8 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301**Dividends and Interest**

<b>Date Activity</b>		<b>Description</b>	<b>Amount</b>	<b>Income Category</b>
<b>Tax Exempt Income</b>				
11-28	Tax Exempt Dividend	VAN KAMPEN HIGH YIELD MUNI C DIV PAYMENT	371.76	Mutual Funds
11-28	Tax Exempt Dividend	FIDELITY MN MUNI INC DIV PAYMENT	123.66	Mutual Funds
11-28	Tax Exempt Dividend	VAN KAMPEN HIGH YIELD MUNI A DIV PAYMENT	133.20	Mutual Funds
12-04	Tax Exempt Interest	FL ST MPA-1 BE 1960 *300C01	8.17	Municipal Bonds
12-17	Tax Exempt Dividend	MINNESOTA MUNI INC PORTFOLIO	79.89	Stocks
		Sub Total Tax Exempt Income	716.68	
		Total Dividends and Interest	1,267.72	

See Income Summary on page 1 for the month-to-date and year-to-date amounts per income category.

**Sales Proceeds/Redemptions**

<b>Trade Date</b>	<b>Settle Date</b>	<b>Activity</b>	<b>Quantity</b>	<b>Description</b>	<b>Price</b>	<b>Amount</b>	<b>Additional Information</b>
12-04	12-04	Called	25,000	FL ST MPA-1 BE 1960 *300C01		25,000.00	REDEMPTION OF CALLED BOND
12-25	12-25	Return of Principal		UNIT VK GLOBAL 45 2008-1		430.90	
12-26	12-26	Return of Principal		UNIT VK VALUE EQUITY & INC 084		44.93	
				Total Sales Proceeds/Redemptions		\$25,475.83	Year-To-Date \$250,333.46

**Other Credits**

<b>Date</b>	<b>Activity</b>	<b>Description</b>	<b>Amount</b>	<b>Additional Information</b>
12-29	Other Income	REV CVT ON WFC 10000 09FB27	62.34	OPTION PREMIUM PAYMENT
		Total Other Credits	\$62.34	Year-To-Date \$708.37
		<b>Total Credits To Your Account</b>	\$26,805.89	Year-To-Date \$293,790.15

**ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 9 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

Account Number  
319 061364 301

## DEBITS TO YOUR ACCOUNT

### Funds to Purchase Securities

Trade Date	Settle Date	Activity	Quantity	Description	Price	Amount	Additional Information
11-28	11-28	Bought	45.671	VAN KAMPEN HIGH YIELD MUNI C	8.1400	371.76	REINVESTMENT
11-28	11-28	Bought	11.655	FIDELITY MN MUNI INC	10.6100	123.66	REINVESTMENT
11-28	11-28	Bought	16.344	VAN KAMPEN HIGH YIELD MUNI A	8.1500	133.20	REINVESTMENT
12-17	12-17	Bought	8.037	MINNESOTA MUNI INC PORTFOLIO	9.9400	79.89	DIVIDEND REINVESTMENT
12-15	12-18	Bought	3,364.031	VAN KAMPEN HIGH YIELD MUNI C	7.4300	25,000.00	CONFIRM NBR 007000369
12-25	12-25	Bought	3	UNIT VK SELECT 10 INDUS 2008-4	6.5060	19.52	REINVESTMENT
12-25	12-25	Bought	4	UNIT VK SELECT 10 INDUS 2008-5	5.8920	23.57	REINVESTMENT
12-25	12-25	Bought	10	UNIT VK VALUE EQUITY & INC 084	8.4820	84.83	MS IS MARKET MAKER
12-26	12-26	Bought	5	UNIT VK VALUE EQUITY & INC 084	8.4820	42.41	MS IS MARKET MAKER
Total Funds to Purchase Securities						-25,878.84	Year-To-Date -258,862.28
						-25,878.84	Year-To-Date -259,226.00

### Total Debits To Your Account

### World Card Rewards Program

As of Date 12/20/08  
MORGAN STANLEY REWARDS SUMMARY

	Points
Beginning Balance	0
World Card Spend	0
Morgan Stanley Activity	0
Bonus Points	0
Other Adjustments	0
Total Points Earned	0
Total Points Redeemed	0
Ending Balance	0

To access real time point information and discover new ways to redeem your points, visit [www.morganstanleyrewards.com](http://www.morganstanleyrewards.com) or call 800-688-3462.

**ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 10 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

**ADDITIONAL ACCOUNT INFORMATION**

**Bank Deposits and MMF**

<b>Closing Balances</b>		<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Additional Information</b>
		11-30	MONEY MARKET FUNDS	\$42,971.55	
		11-30	TOTAL Closing Balance	\$42,971.55	

**Transactions**

<b>Date</b>	<b>Activity</b>	<b>Description</b>	<b>Amount</b>	<b>Additional Information</b>
12-01	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	99.33	
12-02	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	390.00	
12-05	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	25,008.17	
12-18	Automatic Redemption	MS ACTIVE ASSETS TAX FR TRUST	-25,000.00	
12-29	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	438.11	
12-30	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	85.85	

**Closing Balances**

<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Additional Information</b>
12-31	MONEY MARKET FUNDS	\$43,993.01	
12-31	TOTAL Closing Balance	\$43,993.01	

Money market funds seek to maintain a share price of \$1.00, therefore the dollar amounts listed equal the number of shares.  
Additional information concerning these transactions is available upon request.

**Tax Information**

		<b>This Month</b>	<b>Year-to-Date</b>	<b>This Month</b>	<b>Year-to-Date</b>
L/T Capital Gains Distributions	.00	157.63	Return of Principal	475.83	1,747.15
Reportable Gross Proceeds	25,475.83	218,264.65	Accrued Interest Paid	.00	533.28
Municipal Accrued Interest Bought	.00	9.81			

The tax information provided above should be used only as a guide; a complete 1099 will be sent to you.

JOHN R CARLSON &  
JUNE L CARLSON JTWR05

Account Number  
319 061364 301

## Messages

\*\*\*\*\*Important Notice\*\*\*\*\*  
\*\*\*\*\*Please Read\*\*\*\*\*

*The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.*

Morgan Stanley recently mailed to eligible clients an offer to purchase certain Auction Rate Securities. If you did not receive the materials but believe you may be eligible to participate; or, if you received the materials and have questions, please contact the Morgan Stanley Auction Rate Securities Call Center (800) 566-2273 or visit our website for more information about eligible securities: <http://www.morganstanleyindividual.com/Markets/bondcenter/AuctionRateSecurities/>

Please note due to recent market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley by outside pricing services and/or from Morgan Stanley's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to [www.morganstanleyclientserv.com/welcome](http://www.morganstanleyclientserv.com/welcome).

\*\*\*\*\*

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 or Morgan Stanley & Co. Incorporated, Legal and Compliance Division, 2000 Westchester Avenue, Purchase, New York 10577 with any account-related concerns.

Consolidated Statement of Financial Condition (in thousands of dollars):

At November 30, 2008, Morgan Stanley & Co. Incorporated had net capital of \$8,283,858 which exceeded the Securities and Exchange Commission's minimum requirement by \$7,361,804 and included excess net capital of \$418,709 of MS Securities Services Inc., a broker-dealer and a guaranteed subsidiary of Morgan Stanley & Co. Incorporated. A copy of the Morgan Stanley & Co. Incorporated Consolidated Statement of Financial Condition at November 30, 2008 can be viewed online at: [www.morganstanley.com/about/ir/shareholder/morganstanley\\_co\\_inc.pdf](http://www.morganstanley.com/about/ir/shareholder/morganstanley_co_inc.pdf) or may be mailed to you at no cost by calling (866) 825-1675, after February 14, 2009.



## ACTIVE ASSETS ACCOUNT<sup>®</sup>

FOR MONTH ENDING DECEMBER 31, 2008

PAGE 12 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

Account Number  
319 061364 301

### Messages

#### Save up to 30% on TurboTax This Tax Season

This year, we are pleased to offer you a simple way to do taxes through our relationship with TurboTax. And as a Morgan Stanley client, you can take advantage of 30% off the listed price of online federal versions or 20% off the listed price of the downloadable versions of TurboTax. Whether you need basic tax guidance or have a more complicated tax situation, TurboTax has the product to meet your individual needs. For more information, visit ClientServ.

TurboTax is not an agent of, nor affiliated with, Morgan Stanley. TurboTax and TurboTax Online are registered trademarks and/or service marks of Intuit Inc. in the United States and other countries. Morgan Stanley does not render advice on tax and tax accounting matters.

Morgan Stanley classifies the assets on your statement based on certain general characteristics, such as: income generation, underlying capital structure, or exposure to certain market sectors. Asset classification decisions are often influenced by marketplace conventions and are designed to be informative and provide clients with a particular, non-exclusive, view of their portfolio. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. Please contact your Financial Advisor for more information.

We understand that a primary concern of yours is the safety of your assets. Our goal at Morgan Stanley is not only to help you achieve your financial objectives, but also to make every effort to ensure that your assets are protected. Please review the brochure Protection for Your Assets, which is available via the link below. It provides an overview of the regulatory protections you enjoy as a client of Morgan Stanley, including safekeeping and segregation of client assets, as well as the protections afforded through the Securities Investor Protection Corporation (SIPC) and for Bank Deposits held through the Bank Deposit Program, protection provided by the Federal Deposit Insurance Corporation (FDIC). Morgan Stanley & Co Incorporated currently also maintains "excess SIPC" insurance coverage. The current coverage provided by the Customer Asset Protection Company (CAPCO) will remain in effect until February 16, 2009, but we have recently added "excess SIPC" coverage provided by Lloyd's of London that is effective immediately.

For more information, please visit:

<http://www.morganstanleyindividual.com/customerservice/ProtectionForYourAssets.pdf>

## ACTIVE ASSETS ACCOUNT<sup>®</sup> FOR MONTH ENDING DECEMBER 31, 2008

Your Financial Advisor  
MARK L. JOHNSON  
SENIOR VICE PRESIDENT  
MORGAN STANLEY  
294 EAST GROVE LANE, SUITE 220  
WAYZATA, MN 55391  
(952) 475-4100

PAGE 13 OF 25

Account Number  
319 061364 301

AAA Customer Service  
1-800-869-3326  
Householding Anniv. Date:  
10/25/2002

Access Your Account at:  
[www.morganstanley.com/online](http://www.morganstanley.com/online)

(553) 462946321)  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS  
6832 STONEWOOD COURT  
EDEN PRAIRIE MN 55346-2946

## GAIN AND LOSS SUMMARY

The Estimated Gain and Loss information is provided for informational purposes only and may not be relied upon in making any tax, accounting or regulatory filing or report. We recommend that you contact your tax advisor to determine the appropriate information to be used in the preparation of your tax return. This Estimated Gain and Loss Summary is not a substitute 1099 form (or any other appropriate tax form) and should not be filed with your taxes. The Total Cost, Unit Cost and Proceeds of eligible equity and options transactions with Choice SelectSM pricing do not include commissions paid on your purchases or sales and therefore may not equal the acquisition price or principal amount of the sale. The figures should be independently verified. Estimated Gain and Loss information does not take into account a taxpayer's particular circumstances such as the existence of hedging transactions, constructive sales or marked-to-market pricing adjustments on certain options held at year-end. Please note that although Morgan Stanley makes every effort to adjust the cost basis for such securities' capital changes, it does not adjust the cost basis for all events, including amortization of non-municipal bond premiums; exercise of unlisted stock options; securities deemed to have been sold and simultaneously repurchased; receipt of cash in lieu of fractional shares; or the net effect of wash sales and/or short sales against the box.

For securities not purchased through Morgan Stanley, for example, securities purchased elsewhere and later transferred to it, any data included in the Estimated Gain and Loss information has been provided either by you or another financial institution.

Whether provided by you, another financial institution or Morgan Stanley, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information. Please contact your Financial Advisor with any questions or to correct any information.

For Managed Futures and alternative investments, there are likely to be restrictions on redemptions, please see applicable offering document.

With respect to estimated gains and losses for listed equity options, Morgan Stanley has taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. Morgan Stanley has made calculations using what appear to be off-setting positions; no assurance can be given that these positions are intended to off-set each other or that they are not intended to off-set other securities positions, in which case the analysis may be different. Morgan Stanley has obtained pricing information from independent sources it believes to be reliable. No assurance can be given that the values given are accurate. Values are subject to change and are as of a given point in time only. Past performance does not guarantee future returns.

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

## ACTIVE ASSETS ACCOUNT<sup>®</sup> FOR MONTH ENDING DECEMBER 31, 2008

PAGE 14 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

Account Number  
319 061364 301

Unrealized Gain/(Loss)		Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
<b>Stocks</b>								
<b>Common Stocks</b>								
DELTA AIR LINES INC NEW								
		114.500	06-13-01	44.56200	5,102.35	1,312.17	(3,790.18)	Long Term
		114.500	06-18-01	44.54017	5,099.85	1,312.17	(3,787.68)	Long Term
Stock Total		229		44.55109	10,202.20	2,624.34	(7,577.86)	
DWS DREMAN VALUE INC EDGE FUND								
		42.167	01-02-08	13.49752	569.15	169.51	(399.64)	Short Term
ST Dividend Reinvestments		881		please provide		8,986.19	N/A	
MINNESOTA MUNI INC PORTFOLIO		881		N/A		8,986.19	N/A	
Total Purchased Shares								
LT Dividend Reinvestments								
		355.795	02-20-02	15.10344	5,373.73	3,628.47	(1,745.26)	Long Term
ST Dividend Reinvestments		102.817	01-09-08	12.60044	1,295.54	1,049.38	(246.16)	Short Term
Stock Total		1,339.612		N/A		13,664.04	N/A	
<b>Total Common Stocks</b>								
					17,440.62	7,471.70	(9,968.92)	
<b>Total Stocks</b>								
					17,440.62	7,471.70	(9,968.92)	
<b>Corporate Fixed Income**</b>								
<b>Corporate Bonds</b>								
CONTRA DELTA AIR	7.700	12-15-05	10,000	05-03-07	0.00 P			Long Term
					0.00	187.50	187.50	ADJUSTED 05/03/07
REV CVT ON WFC	10.000	2-27-09	10,000	10-21-08	95.12310			Short Term
					97.03081	8,970.00	(355.29)	
GMAC	7 3/4	1-19-10	9,000	12-28-07	96.15833			Long Term
					96.15833	8,026.92	(627.33)	

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

\*\*The "Market Value" and "Unrealized Gain/(Loss)" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.

**ACTIVE ASSETS ACCOUNT ®**  
**FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 15 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

Unrealized Gain/(Loss)		Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
FMCC	7.800	6-01-12	10,000	07-12-07	98.80250 98.80250	9,880.25 9,880.25	7,015.70	(2,864.55) Long Term
MGM MIRAGE	6 3/4	9-01-12	10,000	06-15-05	105.55250 103.11090	10,555.25 10,311.09	7,000.00	(3,311.09) Long Term
<b>Total Corporate Bonds</b>					38,602.06 38,170.88	31,200.12	(6,970.76)	
<b>Fixed-Rate Capital Securities</b>								
LEHMAN CAP TR IV	6 3/8	10-31-52	100	06-20-08	17.26650 17.26650	1,726.65 1,726.65	0.60	(1,726.05) Short Term
			500	06-20-08	17.27702 17.27702	8,638.51 8,638.51	3.00	(8,635.51) Short Term
			600		17.27526 17.27526	10,365.16 10,365.16	3.60	(10,361.56)
<b>Total Corporate Fixed Income</b>					48,967.22 48,536.04	31,203.72	(17,332.32)	
<b>Mutual Funds</b>								
<b>Morgan Stanley Mutual Funds</b>								
MS PRIME INCOME TRUST			1,429.565	02-02-06	9.09367 9.09367	13,000.00 13,000.00	7,390.83 7,390.83	(5,609.17) Long Term
Total Purchases								(5,609.17)
LT Dividend Reinvestments			193.518	02-24-06	8.96557 7.53319	1,735.00 828.93	1,000.38 569.02	(734.62) Long Term
ST Dividend Reinvestments			110.037	12-31-07	8.98029 8.98029	15,563.93 15,563.93	8,960.23	(259.91) Short Term
Fund Total			1,733.120					(6,603.70)
Mkt. Value vs. Total Purchases						13,000.00	8,960.23	
Net Value Increase/(Decrease)#						(4,039.77)		
<b>Other Mutual Funds</b>								
VAN KAMPEN HIGH YIELD MUNI C			476.644	08-17-04	10.49000	5,000.00	3,565.29	(1,434.71) Long Term

*This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.*

*\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.*

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 16 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

## Unrealized Gain/(Loss)

	Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
VAN KAMPEN HIGH YIELD MUNI C							
LT Dividend Reinvestments	1,072.780	03-30-05	10.70489	11,484.00	8,024.38	(3,459.62)	Long Term
ST Dividend Reinvestments	1,002.256	07-14-05	10.97523	11,000.00	7,496.86	(3,503.14)	Long Term
Fund Total	1,369.384	06-07-06	10.95383	15,000.00	10,242.97	(4,757.03)	Long Term
	2,247.729	04-13-07	11.12233	25,000.00	16,812.99	(8,187.01)	Long Term
	1,615.631	07-29-08	9.90325	16,000.00	12,084.90	(3,915.10)	Short Term
Total Purchases	3,364.031	12-15-08	7.43156	25,000.00	25,163.32	163.32	Short Term
	11,148.455		9.73085	108,484.00	83,390.71	(25,093.29)	
LT Dividend Reinvestments	491.426	08-31-04	10.94368	5,378.01	3,675.66	(1,702.35)	Long Term
ST Dividend Reinvestments	375.765	12-31-07	9.59285	3,604.66	2,810.66	(794.00)	Short Term
Fund Total	12,015.646		9.77614	117,466.67	89,877.03	(27,589.64)	
Mkt. Value vs. Total Purchases Net Value Increase/(Decrease)#				108,484.00	89,877.03 (18,606.97)		
FIDELITY MN MUNI INC							
Total Purchases	3,057.644		please provide	N/A	32,839.06	N/A	
	3,057.644				32,839.06	N/A	
LT Dividend Reinvestments	336.697	08-31-05	11.33075	3,815.03	3,615.94	(199.09)	Long Term
ST Dividend Reinvestments	141.579	12-31-07	11.00791	1,558.49	1,520.78	(37.71)	Short Term
Fund Total	3,535.920		N/A	N/A	37,975.78	N/A	
Mkt. Value vs. Total Purchases Net Value Increase/(Decrease)#				N/A	37,975.78 N/A		
VAN KAMPEN HIGH YIELD MUNI A							
Total Purchases	1,448.768	03-03-08	10.35362	15,000.00	10,851.25	(4,148.75)	Short Term
	1,174.284	03-27-08	10.47446	12,300.00	8,795.37	(3,504.63)	Short Term
	2,623.052		10.40772	27,300.00	19,646.62	(7,653.38)	
ST Dividend Reinvestments	111.998	03-31-08	9.45070	1,058.46	838.90	(219.56)	Short Term
Fund Total	2,735.050		10.36853	28,358.46	20,485.52	(7,872.94)	
Mkt. Value vs. Total Purchases Net Value Increase/(Decrease)#				27,300.00	20,485.52 (6,814.48)		
<b>Total Other Mutual Funds</b>				151,198.65	115,499.27	(35,699.38)	
<b>Total Mutual Funds</b>				166,762.58	124,459.50	(42,303.08)	

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 17 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

Account Number  
319 061364 301

Unrealized Gain/(Loss)	Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
------------------------	----------	------------------	--------------------------------------	---------------------------------------	-----------------	---------------------------	---------------------------

# Net Value Increase/(Decrease) compares your Total Purchases (excluding Dividend Reinvestments) with the Market Value of all shares you hold of the fund. This calculation is for informational purposes only, does not reflect your total unrealized gain or loss and should not be used for tax purposes.

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 18 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

## Unrealized Gain/(Loss)

## Unit Investment Trusts

## Equity Trusts

	Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
UNIT VK GLOBAL 45 2008-1 DIVIDEND REINVESTMENT	1,428 57 1,485	01-11-08 05-25-08	9.07109 7.03052 8.99276	12,953.52 400.74 13,354.26	7,793.15 311.08 8,104.23	(5,160.37) (89.66) (5,250.03)	Short Term Short Term Short Term
UNIT VK INTL REAL ESTATE 08-2 DIVIDEND REINVESTMENT	1,140 93 1,193	03-20-08 07-25-08	9.75687 4.14283 9.50746	11,122.83 219.57 11,342.40	5,646.06 262.51 5,908.57	(5,476.77) 42.94 (5,433.83)	Short Term Short Term Short Term
UNIT VK SELECT 10 INDUS 2008-4 DIVIDEND REINVESTMENT	758 16 774	07-14-08 08-25-08	12.73547 6.96812 12.61625	9,653.49 111.49 9,764.98	5,072.68 107.08 5,179.76	(4,580.81) (4.41) (4,585.22)	Short Term Short Term Short Term
UNIT VK SELECT 10 INDUS 2008-5 DIVIDEND REINVESTMENT	1,156 42 1,198	09-08-08 10-25-08	11.33961 6.12476 11.15678	13,108.59 257.24 13,365.83	7,114.35 258.50 7,372.85	(5,994.24) 1.26 (5,992.98)	Short Term Short Term Short Term
UNIT VK BIRINYI TRUST 21	851	10-13-08	9.64590	8,208.66	7,442.93	(765.73)	Short Term
UNIT VK VALUE EQUITY & INC 084 DIVIDEND REINVESTMENT	1,132 15 1,147	11-14-08 12-25-08	8.72051 8.48266 8.71740	9,871.62 127.24 9,998.86	10,270.51 136.10 10,406.61	398.89 8.86 407.75	Short Term Short Term Short Term
UNIT CLAY DG INTL INFR 2 DIVIDEND REINVESTMENT	980 17 997	08-04-08 09-25-08	9.89646 6.31294 9.83535	9,698.53 107.32 9,805.85	7,161.53 124.24 7,285.77	(2,537.00) 16.92 (2,520.08)	Short Term Short Term Short Term
<b>Total Equity Trusts</b>				75,840.84	51,700.72	(24,140.12)	
<b>Total Unit Investment Trusts</b>				75,840.84	51,700.72	(24,140.12)	
<b>Totals for positions with cost data available</b>				\$308,580.08	\$214,835.64	(\$93,744.44)	
<b>Total Market Value for all positions</b>					\$256,660.89		

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 19 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

Unrealized Gain/(Loss)	Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
------------------------	----------	------------------	--------------------------------------	---------------------------------------	-----------------	---------------------------	---------------------------

P - You have provided the trade history for this transaction; it was not available through Morgan Stanley records.  
D - Periodic payments on this security consist of interest and option premium. The cost basis for this tax lot is reduced by the option premium received. The interest portion is reported on Form 1099-INT.

The "Total Cost" and "Unit Cost" for Fixed Income Unit Trusts, Mortgage-Backed Securities, and Zero Coupon Bonds has been adjusted to reflect any partial return of principal or capital that may have been paid to you, or accreted interest earned, since your purchase date. In the event that the accumulated total return of principal or capital is greater than the provided original cost, the adjusted cost will be "0.00".

Realized Gain/(Loss)	Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
----------------------	----------	------------------	--------------	---------------------------------------	----------	-------------------------	---------------------------

**Short Term**

FL ST MPA-1 BE	1.960	10-01-30	25,000	05-08-08	12-04-08	25,005.25			
ST LAWRENCE IDA BE	3 1/4	7-01-35	25,000	05-07-08	06-23-08	25,000.00			
UNIT FT GLOBAL AGRICULTURE 3			974	03-03-08	08-04-08	25,005.25			
UNIT FT GLOBAL AGRICULTURE 3			1	04-25-08	08-04-08	9,993.62			
UNIT FT GLOBAL AGRICULTURE 3			1	06-25-08	08-04-08	10.98			
UNIT VK BIRINYI TRUST 17			1,406	10-29-07	09-25-08	10.67			
UNIT VK BIRINYI TRUST 17			5	12-25-07	09-25-08	812.65			
UNIT VK BIRINYI TRUST 17			1	01-25-08	09-25-08	2.89			
UNIT VK BIRINYI TRUST 17			1	01-25-08	09-25-08	0.58			
UNIT VK BIRINYI TRUST 17			4	03-25-08	09-25-08	2.31			
UNIT VK BIRINYI TRUST 17			1	05-25-08	09-25-08	0.58			
UNIT VK BIRINYI TRUST 17			2	06-25-08	09-25-08	1.16			
UNIT VK BIRINYI TRUST 17			2	08-25-08	09-25-08	1.15			
UNIT VK BIRINYI TRUST 17			1,406	10-29-07	10-13-08	13,674.62			
UNIT VK BIRINYI TRUST 17			5	12-25-07	10-13-08	12,861.97			
UNIT VK BIRINYI TRUST 17			1	01-25-08	10-13-08	44.76			
UNIT VK BIRINYI TRUST 17			4	03-25-08	10-13-08	41.87			
UNIT VK BIRINYI TRUST 17			1	01-25-08	10-13-08	8.02			
UNIT VK BIRINYI TRUST 17			4	03-25-08	10-13-08	7.44			
UNIT VK BIRINYI TRUST 17			4	03-25-08	10-13-08	32.68			
UNIT VK BIRINYI TRUST 17			4	03-25-08	10-13-08	30.37			

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.



**ACTIVE ASSETS ACCOUNT ®**  
**FOR MONTH ENDING DECEMBER 31, 2008**

PAGE 20 OF 25

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROSAccount Number  
319 061364 301

Realized Gain/(Loss)	Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
UNIT VK BIRINYI TRUST 17	1	05-25-08	10-13-08	9.03			Short Term
				8.45	5.78	(2.67)	
UNIT VK BIRINYI TRUST 17	2	06-25-08	10-13-08	17.26			Short Term
				16.10	11.57	(4.53)	
UNIT VK BIRINYI TRUST 17	2	08-25-08	10-13-08	16.58			Short Term
				15.43	11.57	(3.86)	
UNIT VK GLOBAL 45 2007-1	10	05-25-07	01-11-08	107.28			Short Term
				106.54	98.79	(7.75)	
UNIT VK GLOBAL 45 2007-1	12	08-25-07	01-11-08	119.47			Short Term
				93.89	118.55	(.92)	
UNIT VK GLOBAL 45 2007-1	9	09-25-07	01-11-08	88.91			Short Term
				101.69	98.79	(2.90)	
UNIT VK GLOBAL REAL ESTATE 072	1,624	05-09-07	03-20-08	16,298.68			Short Term
				14,481.99	9,527.31	(4,954.68)	
UNIT VK GLOBAL REAL ESTATE 072	3	08-25-07	03-20-08	24.59			Short Term
				21.23	17.60	(3.63)	
UNIT VK GLOBAL REAL ESTATE 072	16	11-25-07	03-20-08	128.88			Short Term
				110.99	93.87	(17.12)	
UNIT VK GLOBAL REAL ESTATE 072	272	12-28-07	03-20-08	1,836.82			Short Term
				62.80	1,595.71	(241.11)	
UNIT VK GLOBAL REAL ESTATE 072	10	02-25-08	03-20-08	58.67			Short Term
				15.48	15.48	(4.13)	
UNIT VK GLOBAL 45 2008-1	1,428	01-11-08	09-25-08	0.15			
				0.22	.15		
UNIT VK GLOBAL 45 2008-1	14	05-25-08	09-25-08	0.22			
				414.36	414.36		
UNIT VK GLOBAL 45 2008-1	20	01-11-08	12-25-08	4.06			
				5.80	4.06		
UNIT VK GLOBAL 45 2008-1	14	05-25-08	12-25-08	5.80			
				0.58	5.80		
UNIT VK GLOBAL 45 2008-1	2	09-25-08	12-25-08	6.10			
				163.17	6.10		
UNIT VK GLOBAL 45 2008-1	21	11-25-08	12-25-08	0.14			
				1.29	163.17		
UNIT VK INTL REAL ESTATE 08-2	1,140	03-20-08	11-25-08	0.14			
				1.29	.14		
UNIT VK INTL REAL ESTATE 08-2	1	07-25-08	11-25-08	4.06			
				2.96	1.29	(.02)	Short Term
UNIT VK SELECT 10 INDUS 2007-4	3	08-25-07	07-14-08	2.96			Short Term
				2.96	4.04	(.26)	
UNIT VK SELECT 10 INDUS 2007-4	2	09-25-07	07-14-08	2.96			Short Term
				2.96	2.70	(.26)	
UNIT VK SELECT 10 INDUS 2007-4	2	10-25-07	07-14-08	5.54			Short Term
				2.96	5.39	(.15)	
UNIT VK SELECT 10 INDUS 2007-4	4	11-25-07	07-14-08	2.96			Short Term
				4.06	2.70	(.26)	
UNIT VK SELECT 10 INDUS 2007-4	2	12-25-07	07-14-08	4.06			Short Term
				5.54	4.04	(.02)	
UNIT VK SELECT 10 INDUS 2007-4	3	01-25-08	07-14-08	5.54			Short Term
					5.39	(.15)	

*This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.*

*\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.*

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 21 OF 25

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROSAccount Number  
319 061364 301

Realized Gain/(Loss)	Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
UNIT VK SELECT 10 INDUS 2007-4	3	03-25-08	07-14-08	4.06	4.04	(.02)	Short Term
UNIT VK SELECT 10 INDUS 2007-4	3	04-25-08	07-14-08	4.06	4.04	(.02)	Short Term
UNIT VK SELECT 10 INDUS 2007-4	4	05-25-08	07-14-08	5.54	5.39	(.15)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	3	10-25-07	09-08-08	8.22	5.64	(2.58)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	6	11-25-07	09-08-08	12.95	11.29	(1.66)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	4	12-25-07	09-08-08	8.77	7.53	(1.24)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	4	01-25-08	09-08-08	8.77	7.53	(1.24)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	6	02-25-08	09-08-08	12.95	11.29	(1.66)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	5	03-25-08	09-08-08	9.41	9.41	(.31)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	4	04-25-08	09-08-08	8.77	7.53	(1.24)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	6	05-25-08	09-08-08	12.95	11.29	(1.66)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	5	06-25-08	09-08-08	9.72	9.41	(.31)	Short Term
UNIT VK SELECT 10 INDUS 2007-5	5	07-25-08	09-08-08	9.72	9.41	(.31)	Short Term
UNIT VK SELECT 10 INDUS 2008-5	1,156	09-08-08	10-25-08	169.33	169.33		
UNIT VK VALUE EQUITY & INC 074	1,819	12-28-07	01-10-08	65.45	65.45		
UNIT VK VALUE EQUITY & INC 074	1,819	12-28-07	10-25-08	31.98	31.98		
UNIT VK VALUE EQUITY & INC 074	6	01-10-08	10-25-08	0.11	.11		
UNIT VK VALUE EQUITY & INC 074	31	01-25-08	10-25-08	0.54	.54		
UNIT VK VALUE EQUITY & INC 074	6	02-25-08	10-25-08	0.11	.11		
UNIT VK VALUE EQUITY & INC 074	15	03-25-08	10-25-08	0.26	.26		
UNIT VK VALUE EQUITY & INC 074	22	04-25-08	10-25-08	0.39	.39		
UNIT VK VALUE EQUITY & INC 074	11	05-25-08	10-25-08	0.19	.19		
UNIT VK VALUE EQUITY & INC 074	15	06-25-08	10-25-08	0.26	.26		
UNIT VK VALUE EQUITY & INC 074	24	07-25-08	10-25-08	0.42	.42		
UNIT VK VALUE EQUITY & INC 074	13	08-25-08	10-25-08	0.23	.23		
UNIT VK VALUE EQUITY & INC 074	16	09-25-08	10-25-08	0.28	.28		
UNIT VK VALUE EQUITY & INC 074	1,819	12-28-07	11-14-08	17,993.89			Short Term
				17,896.46	8,916.02	(8,980.44)	
UNIT VK VALUE EQUITY & INC 074	6	01-10-08	11-14-08	58.27			Short Term
				58.16	29.41	(28.75)	
UNIT VK VALUE EQUITY & INC 074	31	01-25-08	11-14-08	281.05			Short Term
				280.51	151.95	(128.56)	
UNIT VK VALUE EQUITY & INC 074	6	02-25-08	11-14-08	55.23			Short Term
				55.12	29.41	(25.71)	
UNIT VK VALUE EQUITY & INC 074	15	03-25-08	11-14-08	127.72			Short Term
				127.46	73.52	(53.94)	
UNIT VK VALUE EQUITY & INC 074	22	04-25-08	11-14-08	201.89			Short Term
				201.50	107.84	(93.66)	

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 22 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

Realized Gain/(Loss)	Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
UNIT VK VALUE EQUITY & INC 074	11	05-25-08	11-14-08	104.28			Short Term
				104.09	53.92	(50.17)	Short Term
UNIT VK VALUE EQUITY & INC 074	15	06-25-08	11-14-08	136.50			Short Term
				136.24	73.52	(62.72)	Short Term
UNIT VK VALUE EQUITY & INC 074	24	07-25-08	11-14-08	200.88			Short Term
				200.46	117.64	(82.82)	Short Term
UNIT VK VALUE EQUITY & INC 074	13	08-25-08	11-14-08	105.25			Short Term
				105.02	63.72	(41.30)	Short Term
UNIT VK VALUE EQUITY & INC 074	16	09-25-08	11-14-08	111.47			Short Term
				111.19	78.43	(32.76)	Short Term
UNIT VK VALUE EQUITY & INC 074	46	10-25-08	11-14-08	244.82			Short Term
				244.82	225.47	(19.35)	Short Term
UNIT VK VALUE EQUITY & INC 084	1,132	11-14-08	12-26-08	44.93			Short Term
				44.93	44.93		Short Term
<b>Sub Total Short Term</b>				\$111,350.01	\$90,961.49	(\$20,388.52)	
<b>Long Term</b>							
MOTOROLA INC 6 1/2	10,000	02-14-02	03-03-08	9,705.00			Long Term
NO.MPA-A2 TH-7 BE 5.870	50,000	01-30-06	04-18-08	50,002.63	10,000.00	295.00	Long Term
				50,000.00	50,000.00		
NO.MPA-A2 TH-7 BE 5.870	50,000	09-28-06	04-18-08	50,005.25			Long Term
				50,000.00	50,000.00		
UNIT VK GLOBAL 45 2007-1	1,314	01-10-07	01-11-08	12,862.75			Long Term
				12,765.30	12,981.04	215.74	Long Term
UNIT VK SELECT 10 INDUS 2007-4	1,031	07-11-07	07-14-08	961.14	10,772.77	9,811.63	Long Term
UNIT VK SELECT 10 INDUS 2007-5	1,564	09-07-07	09-08-08	4,473.65	13,023.65	8,550.00	Long Term
<b>Sub Total Long Term</b>				\$127,905.09	\$146,777.46	\$18,872.37	
<b>Totals for closing transactions with cost data available</b>				\$239,255.10	\$237,738.95	(\$1,516.15)	
<b>Total Proceeds</b>					\$237,738.95		

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

\*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 23 OF 25  
Account Number  
319 061364 301

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

Summary

	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
Unrealized gain.....	\$632.19	\$187.50	\$819.69
Unrealized (loss).....	(\$48,851.30)	(\$45,712.83)	(\$94,564.13)
Realized gain YTD.....	\$13.52	\$18,872.37	\$18,885.89
Realized (loss) YTD.....	(\$20,402.04)	\$0.00	(\$20,402.04)

## ACTIVE ASSETS ACCOUNT ®

FOR MONTH ENDING DECEMBER 31, 2008

PAGE 24 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROSAccount Number  
319 061364 301

## INDIVIDUAL EQUITY RATINGS

DESCRIPTION	QUANTITY	CURRENT-PRICE	MARKET-VALUE	RATING	MORGAN STANLEY RESEARCH		ADDITIONAL RESEARCH	
					INDUSTRY VIEW	VOLATILITY	NAME	RATING
DELTA AIR LINES INC NEW	229	11.46	2,624.34	NA	Attractive	-	Morningstar	3 stars

Independent, third-party research on equity securities of certain companies covered by Morgan Stanley Equity Research is available to U.S. customers of Morgan Stanley at no cost. Customers can access this research by visiting [www.morganstanley.com/equityresearch](http://www.morganstanley.com/equityresearch), by calling 800-624-2063 or by contacting a Morgan Stanley representative to request that a copy of this research be sent to them.

Research does not provide individually tailored investment advice. Research reports are prepared without regard to the individual financial circumstances and objectives of persons who receive them. The securities and other financial instruments discussed in any report may not be suitable for or available to all investors. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's investment objectives, financial situation, investment horizon and existing holdings) and other considerations. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the views of a financial adviser. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives as well as market conditions at the time. For additional information, please contact a Morgan Stanley representative.

## RESEARCH RATINGS DEFINITIONS

## Morgan Stanley Stock Ratings

Overweight (O) : The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E) : The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U) : The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NA) : Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months. Please note that NA may also be used to designate stocks where a rating is not currently available for policy reasons. For the current list of Not-Rated/Hold stocks please email [morganstanley.research@morganstanley.com](mailto:morganstanley.research@morganstanley.com).

## Morgan Stanley Industry Views

Attractive (A) : The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark named on the cover of the corresponding report.

In-Line (I) : The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark named on the cover of the corresponding report.

Cautious (C) : The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark named on the cover of the corresponding report.

Unless otherwise specified, the time frame for Morgan Stanley price targets is 12 to 18 months.

ACTIVE ASSETS ACCOUNT ®  
FOR MONTH ENDING DECEMBER 31, 2008

PAGE 25 OF 25

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

Account Number  
319 061364 301

## RESEARCH RATINGS DEFINITIONS

### Morningstar

- 5 stars : (Significantly Undervalued) - Stock trading at significantly large discount to analyst's fair value estimate.
  - 4 stars : (Undervalued) - Stock trading at large discount to analyst's fair value estimate.
  - 3 stars : (Fairly Valued) - Stock trading very close to fair value estimate.
  - 2 stars : (Overvalued) - Stock trading at large premium to analyst's fair value estimate.
  - 1 star : (Significantly Overvalued) - Stock trading at significantly large premium to analyst's fair value estimate.
- Under Review : Rating temporarily suspended while analyst reviews fair value estimate.

NA appearing for Morgan Stanley Research indicates that either the rating for this stock is not available because of a Morgan Stanley policy or, the rating for this stock is Not-Rated as per the definition in Research Ratings Definitions above. For a current list of Morgan Stanley stocks rated Not-Rated as defined above, please email [morganstanley.research@morganstanley.com](mailto:morganstanley.research@morganstanley.com). NA appearing for an independent third party research provider indicates that the ratings for this company are not available because of a Morgan Stanley policy.

"NC" appearing on the Morgan Stanley ratings line indicates that Morgan Stanley does not carry an opinion on this security. Morgan Stanley might carry an opinion on a different security on this company. Please contact your Financial Advisor for information.

The securities ratings that appear here have been taken from research reports prepared by Morgan Stanley Equity Research as well as reports prepared by independent third party research providers who were selected by Morgan Stanley's Independent Consultant and are provided for information purposes only. The independent third party research reports were prepared without input from Morgan Stanley. Morgan Stanley does not represent that these reports are accurate or complete. The independent third party research provider whose rating is shown for each security may not be representative of the ratings assigned to that security by other independent third party research providers or by Morgan Stanley. Research reports from such independent third party research providers are generally available on our website, as well as current and historical ratings for the providers. You are encouraged to review this and all other relevant information available regarding your investment. Different providers use different terms and systems to describe the recommendations in their research reports. For example, Morgan Stanley uses a relative rating system including terms such as Overweight, Equal-weight or Underweight (see explanations within definitions section). In addition, Morgan Stanley applies an industry rating system which compares the analyst's view of the industry to the broader market benchmark. A rating system using terms such as buy, hold and sell may not be equivalent to our rating system. Investors should carefully read the explanations of all ratings shown. The ratings assigned to each security and the explanations for the ratings used by the independent third party research providers have been furnished to us by such providers. In addition, since the research report contains more complete information concerning the analyst's views, investors should read the entire research report and not infer its contents from the rating alone.

All ratings shown on statements are as of the last business day of the month. All ratings shown on confirms are as of the current business day.

# Morgan Stanley

## Account Valuation

This figure represents the approximate value of your account on a settlement date basis and is computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, or money market fund and/or bank deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the statement period. Your closing cash, money market fund and/or bank deposit balance represents the cash, money market funds and/or bank deposits and reflects the net month end available balance.

The Bank Deposit Annual Percentage Yield ("APY") represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures/>

**Availability of Free Credit Balances and Financial Statements**  
Under the customer protection rules of the SEC (17 CFR §240.15c3-2 & -3), Morgan Stanley & Co. Incorporated may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We send summary Morgan Stanley & Co. Incorporated financial statements to you semiannually; copies are also available on request, by mail.

**Certain Assets Not Held At Morgan Stanley & Co. Incorporated**  
You may purchase certain assets through Morgan Stanley & Co. Incorporated that may be held at a financial institution other than Morgan Stanley & Co. Incorporated. Assets not held at Morgan Stanley & Co. Incorporated may not be covered by SIPC protection. We may include information about these assets on your Morgan Stanley & Co. Incorporated statement, solely as a service to you and are not responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley & Co. Incorporated performs all year-end and tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley & Co. Incorporated performs all tax reporting.

**Client's Investment Objectives and Financial Situation**  
It is essential to advise your Financial Advisor immediately if there is a material change in your investment objectives or financial situation.

**Dividend/Interest (Month/YTD)**  
These figures represent dividends and/or interest on securities received by Morgan Stanley and credited to your account during the calendar year. As required by law, Morgan Stanley reports to the Internal Revenue Service dividend distributions and taxable bond interest credited to your account. The totals reported are indicated as the year-to-date (YTD) figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

**Errors and Inquiries**  
If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). We will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand.

**Estimated Annual Income and Yields**  
Estimated annual income and yields are calculated by annualizing the most recent distribution and do not reflect historic experience or projected future results. Since the rates are subject to change at any time, they should not be solely relied upon for making investment or trading decisions. You should consult with your Financial Advisor to obtain accurate, current information so you can make an informed decision.

**Listed Options**  
Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations or such transactions previously furnished to you and such information will be made available to you promptly at your request.

## Margin Interest Charges

Morgan Stanley calculates interest charges on margin loans as follows:  
(1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance. (2) Divide by 360 (days).

Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customerservice/disclosures/#4>

## Margin Privileges

If you have margin privileges, you may borrow money from Morgan Stanley in exchange for pledging assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin account, which are identified by an asterisk (\*) on your statement.

## Pricing of Securities

The prices of securities displayed on your statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy.

For securities listed on an exchange or trading continually in an active marketplace, the price reflects the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available).

For bonds trading less frequently, we rely on outside pricing services or a computerized pricing model, which cannot always give us actual market values. Similarly, some annuity values provided by outside sponsors are estimates.

The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless Morgan Stanley has obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore, limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts showing on this statement may not equal the amounts you would receive if you sold your investment.

The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

## Security Measures

Your Morgan Stanley statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle with the letters MS printed in heat-sensitive blue ink on the front side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

## SIPC Protection

Securities and cash held in Morgan Stanley & Co. Incorporated accounts are protected up to their full net equity value by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). Excess Coverage provides additional protection up to the full net equity value of each account including unlimited coverage for uninvested cash. SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley & Co. Incorporated and do not protect against losses due to market fluctuations. Detailed information is available upon request.

## Taxes

Under Federal Income Tax law, Morgan Stanley is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by January 31 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your account may be subject to either 28% backup withholding or 30% nonresident alien withholding, as applicable, on payments made to your account.

## Transaction Dates and Conditions

All transaction dates on this statement are the transactions' settlement dates. In the case of unsettled trades, we list the trade date instead of the settlement date with a notation that the trade is unsettled. Upon written request, Morgan Stanley will furnish the date and time of a transaction and the name of the other party to a transaction. Morgan Stanley accepts benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

STS008

Revised 10/2007

Investments and services are offered through Morgan Stanley & Co. Incorporated, member SIPC.

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

#BWNJGWM

----- manifest line -----

DTTAFADDTTFTDFTDDADADAFADFAFADTTDFTDFAAAFTDFAAAATDFTDFAADDDTDFFT

JOHN R CARLSON &  
JUNE L CARLSON JTWROS  
6832 STONEWOOD COURT  
EDEN PRAIRIE MN 55346-2946

## Your Branch

294 EAST GROVE LANE, SUITE 220  
WAYZATA, MN 55391  
Telephone: 952-475-4100  
Alt. Phone: 800-755-4110  
Fax: 952-475-0841

## Client Interaction Center

800-869-3326  
24 Hours a Day, 7 Days a Week

## Access your accounts online

[www.morganstanley.com/online](http://www.morganstanley.com/online)

Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by  
Morgan Stanley & Co. Incorporated; members SIPC.

TOTAL VALUE LAST PERIOD (as of 8/31/09)	\$489,658.45
NET CONTRIBUTIONS/WITHDRAWALS	—
PORTFOLIO INCOME & APPRECIATION	19,233.55
<b>TOTAL VALUE OF YOUR ACCOUNT</b> (as of 9/30/09)	<b>\$508,892.00</b>

**Your Financial Advisor Team**  
The Johnson Group

## Your Financial Advisors

**Mark Johnson**  
Senior Vice President  
Mark.L.Johnson@morganstanley.com  
952 475-4112

**William Barton McNabb**  
Bart.McNabb@morganstanley.com  
952 475-4113

**Debbie McKinney**  
Debbie.McKinney@morganstanley.com  
952 475-4114

**Peter Wilcox**  
Peter.Wilcox@morganstanley.com  
952 475-4115





# MorganStanley SmithBarney

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

CLIENT STATEMENT | For the Period September 1 -30, 2009

## Account Summary

### BALANCE SHEET

	Last Period (as of 8/31/09)	This Period (as of 9/30/09)
<b>NET ASSET VALUE</b>	<b>\$489,658.45</b>	<b>\$508,892.00</b>
<b>ASSETS</b>	<b>\$489,658.45</b>	<b>\$508,892.00</b>
Cash, Deposits, MMFs	52,445.24	37,936.92
Stocks	31,290.91	31,843.23
Municipal Bonds	—	—
Corporate Fixed Income	26,316.67	42,302.51
Government Securities	—	—
Certificates of Deposit	—	—
Mutual Funds	186,179.33	199,591.52
Unit Investment Trusts	53,104.89	55,008.92
Annuities & Insurance	140,321.41	142,208.90
Other	—	—

### LIABILITIES (Outstanding Balance)

There are no liabilities for this account.

### CASH FLOW

	This Year (1/1/09-9/30/09)	This Period (9/1/09-9/30/09)
<b>OPENING CASH BALANCE</b>	<b>\$43,997.93</b>	<b>\$52,445.24</b>
<b>NET CREDITS/DEBITS</b>	<b>\$120.52</b>	<b>—</b>
<b>CREDITS</b>	<b>\$120.52</b>	<b>—</b>
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	120.52	—
<b>DEBITS</b>	<b>—</b>	<b>—</b>
World Card	—	—
ATM/Cash Advances	—	—
Checks	—	—
Automated Payments	—	—
Electronic Transfers	—	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	—	—
<b>NET CASH FROM INVESTMENTS</b>	<b>\$(6,181.53)</b>	<b>\$(14,508.32)</b>
Income	12,621.13	1,504.54
Dividend Reinvestments	(10,435.26)	(1,020.49)
Purchases	(34,761.53)	(22,722.84)
Sales/Redemptions	26,394.13	7,730.47
<b>CLOSING CASH BALANCE</b>	<b>\$37,936.92</b>	<b>\$37,936.92</b>

PERSONAL  
ACCOUNTS

RETIREMENT  
ACCOUNTS

EDUCATION  
ACCOUNTS

TRUST  
ACCOUNTS

BUSINESS  
ACCOUNTS

Active Assets Account  
# 319-061364-072

Y \_\_\_\_ Z

**JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05**

**GAIN/(LOSS) SUMMARY**

	This Year (1/1/09-9/30/09)	This Period (9/1/09-9/30/09)
<b>TOTAL INCOME</b>	<b>\$12,621.13</b>	<b>\$1,504.54</b>
<b>TAXABLE INCOME</b>	<b>4,596.05</b>	<b>585.35</b>
Dividends	2,697.31	247.85
Capital Gain Distributions	95.65	—
Interest	1,803.09	337.50
Other Income	—	—
<b>TAX-EXEMPT INCOME</b>	<b>8,025.08</b>	<b>919.19</b>
Dividends	8,025.08	919.19
Interest	—	—

*Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.*

*about gain / loss reporting.*

Tax Category	This Year (1/1/09-9/30/09)	This Period (9/1/09-9/30/09)
Return of Principal	\$285.95	—

*Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation.  
Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Holdings

JOHN R CARLSON &  
JUNE L CARLSON JTWR0S

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	\$7,715.27			
MS ACTIVE ASSETS TAX FR TRUST	30,221.65	3.02	0.010	
				Estimated Annual Income
	Percentage of Assets %	Market Value		Accrued Income
TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS	7.5%	\$37,936.92		\$3.02 \$0.00

Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement. Money market funds seek to maintain a share price of \$1.00, therefore the dollar amounts listed equal the number of shares. Additional information concerning these transactions is available upon request. For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

STOCKS

COMMON STOCKS

Security Description	Trade Date	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
DELTA AIR LINES INC NEW (DAL)	6/13/01	114,500	\$5,102.35	\$8.96	\$1,025.92	\$(4,076.43) LT		
	6/18/01	114,500	5,099.85	8.96	1,025.92	(4,073.93) LT		
	—	15,000	Please Provide	8.96	134.40	N/A		
Total		244,000	10,202.20	8.96	2,186.24	(8,150.36) LT		
229 Held on Margin								
DWS DREMAN VAL INC EDGE FD NEW (DHG)		—	0.00	0.00	0.00			
Long Term Reinvestments		21,000	566.90	11.18	234.78	(332.12) LT		

CONTINUED

Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWS

## COMMON STOCKS (CONTINUED)

CORPORATE FIXED INCOME  
CORPORATE BONDS

CORPORATE BONDS									
Security Description	Trade Date	Face Value	Orig. Total Cost Adj.	Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued	Yield %
CONTRA DELTA AIR LINES INC CUSIP 24799AKA9 <i>Coupon Rate 7.700%; Matures 12/15/05; Int. Semi-Annually Jun/Dec 15; In Default; S&amp;P D; Issued 12/14/99</i>	5/3/07	10,000,000	\$0.00	---	\$0.63	\$63.00	\$63.00 LT 2	—	—
GENERAL MOTORS ACCEPTANCE CORP NOTES CUSIP 370425RP7 <i>Coupon Rate 7.750%; Matures 01/19/10; Int. Semi-Annually Jan/Jul 19; Yield to Maturity 8.003%; Moody CA (+) S&amp;P CCC; Issued 01/19/00; 9000 Held on Margin</i>	12/28/07	9,000,000	8,654.25 8,654.25		99.89	8,990.01	335.76 LT	697.50 137.56	7.75
FORD MOTOR CREDIT CO LLC CUSIP 345397VG5 <i>Coupon Rate 7.800%; Matures 06/01/12; Int. Semi-Annually Jun/Dec 01; Yield to Maturity 9.238%; Moody CAA1 (+) S&amp;P CCC+; Issued 05/22/07; 10000 Held on Margin</i>	7/12/07	10,000,000	9,880.25 9,880.25		96.64	9,664.50	(215.75) LT	780.00 257.83	8.07
CONTINUED									

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWRDS

CORPORATE FIXED INCOME  
CORPORATE BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
MGM MIRAGE CUSIP 552953AL5 Coupon Rate 6.750%; Matures 09/01/12; Int. Semi-Annually Mar/Sep 01; Yield to Maturity 13.681%; Moody CAA2	6/15/05	10,000,000	10,555.25 10,252.66	83.75	8,375.00	(1,877.66) LT	675.00 54.37	8.05
15YR 10% DUAL RANGE ACCRUAL ON CMS SPX DUE 2024 BY MS CUSIP 617482GW8 Coupon Rate 10.00%; Matures 09/21/24; Interest Paid Quarterly Dec 21; Callable \$100.00 on 12/21/09; Yield to Maturity 9.999%; First Coupon 12/21/09; Floater; Moody A2e	9/3/09	15,000,000	15,000.00 15,000.00	100.00	15,000.00	0.00 ST	1,500.00 37.50	10.00
TOTAL CORPORATE BONDS			\$44,089.75 \$43,787.16		\$42,092.51	\$(1,694.65) LT \$0.00 ST	\$3,652.50 \$487.26	8.68%

FIXED-RATE CAPITAL SECURITIES

Security Description	Trade Date	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
LEHMAN CAPITAL TRUST IV CUSIP 52520B206	6/20/08	100,000	\$1,726.65 \$1,726.65	\$0.35	\$35.00	\$(1,691.65) LT	—	—
	6/20/08	500,000	8,638.51 8,638.51	0.35	175.00	(8,463.51) LT	—	—
Total		600,000	10,365.16 10,365.16	0.35	210.00	(10,155.16) LT	—	—
Coupon Rate 6.375%; Matures 10/31/52; Interest Paid at Maturity; Callable \$25.00 on 10/31/09; Moody C								
TOTAL CORPORATE FIXED INCOME		Percentage of Assets % 8.3%	Orig. Total Cost Adj. Total Cost \$54,454.91 \$54,152.32		Market Value \$42,302.51	Unrealized Gain/(Loss) \$(11,849.81) LT \$0.00 ST	Estimated Annual Income Accrued Income \$3,652.50 \$487.26	Yield % 8.63%

Watchlist and CreditWatch Indicators (\*) = developing/uncertain (-) = On Watchlist/CreditWatch Upgrade (-) = On Watchlist/CreditWatch Downgrade For more information on Watchlist and CreditWatch Indicators, please go to our website at [www.morganstanley.com/bondratings](http://www.morganstanley.com/bondratings) or contact your financial advisor.

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2009

## Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

### MUTUAL FUNDS

#### MORGAN STANLEY MUTUAL FUNDS

Security Description	Trade Date	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
<b>MS PRIME INCOME TRUST (XPITX)</b>	2/2/06	1,429.565	\$13,000.00	\$6.95	\$9,935.47	\$(3,064.53) LT		
Purchases		1,429.565	13,000.00	6.95	9,935.47	(3,064.53) LT		
Long Term Reinvestments		279.954	2,425.08	6.95	1,945.52	(479.56) LT		
Short Term Reinvestments		113.065	664.38	6.95	785.97	121.59 ST		
<b>Total</b>		1,822.584	16,089.46	6.95	12,666.96	(3,544.09) LT	624.00	4.92
Market Value vs Total Purchases #			13,000.00		12,666.96	121.59 ST		
Net Value Increase/(Decrease)					(333.04)			
Enrolled in MS Dividend Reinvestment; Capital Gains Reinvest								

### OTHER MUTUAL FUNDS

Security Description	Trade Date	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
<b>VAN KAMPEN HIGH YIELD MUNI A (ACTHX)</b>	3/3/08	1,448.768	\$15,000.00	\$9.37	\$13,574.94	\$(1,425.06) LT		
Purchases	3/27/08	1,174.284	12,300.00	9.37	11,003.02	(1,296.98) LT		
Long Term Reinvestments		2,623.052	27,300.00	9.37	24,577.96	(2,722.04) LT		
Short Term Reinvestments		66.825	671.81	9.37	626.12	(45.69) LT		
<b>Total</b>		198.167	1,623.33	9.37	1,856.89	233.56 ST		
Market Value vs Total Purchases #		2,888.044	29,595.14	9.37	27,060.97	(2,767.73) LT	1,608.00	5.94
Net Value Increase/(Decrease)			27,300.00		27,060.97	233.56 ST		
Enrolled in MS Dividend Reinvestment; Capital Gains Reinvest								
<b>VAN KAMPEN HIGH YIELD MUNI C (ACTFX)</b>	8/17/04	476.644	5,000.00	9.35	4,456.61	(543.39) LT		
Purchases	3/30/05	1,072.780	11,484.00	9.35	10,030.48	(1,453.52) LT		
Long Term Reinvestments	7/14/05	1,002.256	11,000.00	9.35	9,371.08	(1,628.92) LT		
Short Term Reinvestments	6/7/06	1,369.384	15,000.00	9.35	12,803.72	(2,196.28) LT		
<b>Total</b>	4/13/07	2,247.729	25,000.00	9.35	21,016.24	(3,983.76) LT		
Market Value vs Total Purchases #	7/29/08	1,615.631	16,000.00	9.35	15,106.13	(893.87) LT		
Net Value Increase/(Decrease)	12/15/08	3,364.031	25,000.00	9.35	31,453.65	6,453.65 ST		
Enrolled in MS Dividend Reinvestment; Capital Gains Reinvest								

CONTINUED

ALCOBINGHUBOK  
ALCOBINGHUBOK  
ALCOBINGHUBOK

Active Assets Account  
# 319-061364-072

Page 8  
of 24

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

## Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

### MUTUAL FUNDS

#### OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
<b>Purchases</b>		11,148.455	108,484.00	9.35	104,237.91	(10,699.74) LT 6,453.65 ST		
Long Term Reinvestments		742.267	7,915.37	9.35	6,939.91	(975.46) LT		
Short Term Reinvestments		717.244	5,852.26	9.35	6,706.66	854.40 ST		
<b>Total</b>		12,607.966	122,251.63	9.35	117,884.48	(11,675.20) LT 7,308.05 ST	6,132.00	5.20
Market Value vs Total Purchases # Net Value Increase/(Decrease)			108,484.00		117,884.48 9,400.48			
<i>Enrolled in MS Dividend Reinvestment; Capital Gains Reinvest</i>								
<b>FIDELITY MN MUNI INC (FIMIX)</b>		3,057.644	Please Provide	11.55	35,315.75	N/A		
<b>Purchases</b>		3,057.644	0.00	11.55	35,315.75			
Long Term Reinvestments		443.267	5,001.07	11.55	5,119.51	118.44 LT		
Short Term Reinvestments		133.644	1,470.24	11.55	1,543.85	73.61 ST		
<b>Total</b>		3,634.555	6,471.31	11.55	41,979.11	118.44 LT 73.61 ST	1,488.00	3.54
Market Value vs Total Purchases # Net Value Increase/(Decrease)			0.00		41,979.11 41,979.11			
<i>Enrolled in MS Dividend Reinvestment; Capital Gains Reinvest</i>								
<b>TOTAL OTHER MUTUAL FUNDS</b>			\$158,318.08		\$186,924.56	\$(14,324.49) LT \$7,615.22 ST	\$9,228.00	4.94%
<b>TOTAL MUTUAL FUNDS</b>		Percentage of Assets % 39.2%	Total Cost \$174,407.54		Market Value \$199,591.52	Unrealized Gain/(Loss) \$(17,868.58) LT \$7,736.81 ST	Estimated Annual Income Accrued Income \$9,852.00 \$0.00	Yield % 4.94%

Transactions in mutual fund positions held directly at the Fund Company are not included in the total above and are not reflected on the Summary Page.

For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

# Net Value Increase/(Decrease) compares your Total Purchases (excluding Dividend Reinvestments) with the Market Value of all shares you hold of the fund. This calculation is for informational purposes only, does not reflect your total unrealized gain or loss and should not be used for tax purposes.



MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

UNIT INVESTMENT TRUSTS  
EQUITY TRUSTS

Security Description	Trade Date	Quantity	Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
UNIT VAN KAMPEN SELECT 10 INDUSTRIAL 2008-5	—	1,230.000	—	\$6.30	\$7,743.46	—	\$254.12	3.28
—	—	(1,230.000)	—	6.30	(7,743.46)	—	0.00	3.28
<i>Short Position; Reinvest N/A; 1230 Held on Margin</i>								
UNIT VAN KAMPEN BIRINYI EQUITY SELECT TRUST SERIES 21	10/13/08	851.000	8,208.66	9.94	8,457.81	249.15 ST		
Purchases		851.000	8,208.66	9.94	8,457.81	249.15 ST		
18,000		148.63	9.94	178.91	30.28 ST			
Total		869.000	8,357.29	9.94	8,636.72	279.43 ST	206.48	2.39
<i>Short Term Reinvestments</i>								
<i>Reinvest N/A; 864 Held on Margin</i>								
UNIT VAN KAMPEN COHEN & STEERS VALUE EQUITY & INCOME 2008-4	11/14/08	1,132.000	9,785.00	11.51	13,029.53	3,244.53 ST		
Purchases		1,132.000	9,785.00	11.51	13,029.53	3,244.53 ST		
127,000		1,151.06	11.51	1,461.80	310.74 ST			
Total		1,259.000	10,936.06	11.51	14,491.33	3,555.27 ST	1,287.58	8.88
<i>Short Term Reinvestments</i>								
<i>Reinvest N/A; 1238 Held on Margin</i>								
UNIT VAN KAMPEN GLOBAL 45 DIVIDEND STRATEGY 2009-1	1/13/09	855.000	7,804.14	12.07	10,320.77	2,516.63 ST		
Purchases		855.000	7,804.14	12.07	10,320.77	2,516.63 ST		
15,000		156.37	12.07	181.07	24.70 ST			
Total		870.000	7,960.51	12.07	10,501.84	2,541.33 ST	299.11	2.85
<i>Short Term Reinvestments</i>								
<i>Reinvest N/A; 863 Held on Margin</i>								
UNIT CLAYMORE DELTA GLOBAL INTERNATIONAL INFRASTRUCTURE 2	8/4/08	980.000	9,698.53	8.28	8,112.32	(1,586.21) LT		
Purchases		980.000	9,698.53	8.28	8,112.32	(1,586.21) LT		
1,000		8.47	8.28	8.27	(0.20) LT			
46,000		330.83	8.28	380.80	49.97 ST			
Total		1,027.000	10,037.83	8.28	8,501.39	(1,586.41) LT	300.40	3.53
<i>Long Term Reinvestments</i>								
<i>Short Term Reinvestments</i>								
<i>Reinvest N/A; 1011 Held on Margin</i>								

CONTINUED

ALCOBANK  
DELTA GLOBAL

Active Assets Account  
# 319-061364-072

Page 10  
of 24

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

## Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

### UNIT INVESTMENT TRUSTS

#### EQUITY TRUSTS (CONTINUED)

Security Description	Trade Date	Quantity	Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
UNIT VAN KAMPEN SELECT 10 INDUSTRIAL	7/9/09	449,000	4,218.00	11.35	5,098.03	880.03 ST	212.92	4.17
2009-4								
Reinvest None; 449 Held on Margin								
UNIT VAN KAMPEN SELECT 10 INDUSTRIAL	9/24/09	757,000	7,722.84	10.28	7,779.61	56.77 ST	332.02	4.26
2009-5								
Reinvest None								

Security Description	Inception Date	Fund Name	Net Contributions and Withdrawals	Value	Valuation Date	Fixed Rate %	Renewal Date
ALLSTATE SCHEDULED ANNUITY MANAGER	10/6/00		\$8,573.74	\$9,737.02	9/28/09		
FIXED FIVE YEAR							
				9,737.02		3.25	10/5/10
Policy # 399719; Qualified IRA							
ALLSTATE ALLSTATE T-LINK PLUS	9/26/05		13,737.60	15,771.54	9/28/09		
				15,771.54		3.35	9/25/10
Policy # 743533							
ALLSTATE ALLSTATE T-LINK PLUS	11/18/05		21,054.16	24,318.38	9/28/09		
				24,318.38		3.75	11/17/10
Policy # 748674							
ALLSTATE ALLSTATE T-LINK PLUS	1/20/06		31,423.22	36,091.21	9/28/09		
				36,091.21		3.70	1/19/11
Policy # 752957							

### ANNUITIES & INSURANCE

#### FIXED RATE ANNUITIES

Security Description	Inception Date	Fund Name	Net Contributions and Withdrawals	Value	Valuation Date	Fixed Rate %	Renewal Date
ALLSTATE SCHEDULED ANNUITY MANAGER	10/6/00		\$8,573.74	\$9,737.02	9/28/09		
FIXED FIVE YEAR							
				9,737.02		3.25	10/5/10
Policy # 399719; Qualified IRA							
ALLSTATE ALLSTATE T-LINK PLUS	9/26/05		13,737.60	15,771.54	9/28/09		
				15,771.54		3.35	9/25/10
Policy # 743533							
ALLSTATE ALLSTATE T-LINK PLUS	11/18/05		21,054.16	24,318.38	9/28/09		
				24,318.38		3.75	11/17/10
Policy # 748674							
ALLSTATE ALLSTATE T-LINK PLUS	1/20/06		31,423.22	36,091.21	9/28/09		
				36,091.21		3.70	1/19/11
Policy # 752957							

CONTINUED

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

ANNUITIES & INSURANCE

FIXED RATE ANNUITIES (CONTINUED)

Security Description	Inception Date	Fund Name	Net Contributions and Withdrawals	Value	Valuation Date	Fixed Rate %	Renewal Date
ALLSTATE T-LINK PLUS	8/7/06		13,232.30	15,104.04	9/28/09		
		5 YEAR FIXED		15,104.04		4.30	8/6/11

Policy # 772463

TOTAL FIXED RATE ANNUITIES

\$101,022.19

VARIABLE RATE ANNUITIES

Security Description	Inception Date	Fund Name	Net Contributions and Withdrawals	Value	Valuation Date	Fixed Rate %	Renewal Date
EQUITABLE LIFE	11/20/07		\$61,777.84	\$41,186.71	9/28/09		
AXA EQUITABLE - ELITE 07		EQ/ALLIBERN INTERNATIONAL		10,797.68		—	—
		EQ/ALLIBERN SMALL CAP GRO		4,394.34		—	—
		EQ/MID CAP VALUE PLUS		4,386.74		—	—
		EQ/EQUITY GROWTH PLUS		8,363.59		—	—
		EQ/LORD ABBETT GRWTH IN		13,244.36		—	—

Policy # 307740726

Percentage of Assets %

27.9%

TOTAL ANNUITIES & INSURANCE

Market Value  
\$142,208.90

Insurance and annuity products and values are displayed for informational purposes only. Values reflect in force annuities purchased or serviced through Morgan Stanley Smith Barney LLC as of date shown as reported by the Insurance carrier. Amounts shown may be subject to surrender and other contract charges. Net Contributions and Withdrawals is defined as either the original purchase price plus additions minus withdrawals or principal withdrawals.

Display of insurance or annuity products on the Morgan Stanley account statement does not confer or imply ownership or beneficial interest on the part of the Morgan Stanley Smith Barney account holder. All ownership, rights, benefits and payments are controlled by the contract between the insurance company and the contract owner as shown on your policy copy.

Annuitized information as provided by the insurance carrier reflects the value of the last payment made as per your instructions and does not imply that the funds were re-deposited into a Morgan Stanley Smith Barney LLC account and are provided for informational purposes only. Surrendered or annuitized policies will not appear as assets on this statement.

ALCORP/STANLEY  
BENEFICIAL

Active Assets Account  
# 319-061364-072

Page 12  
of 24

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Holdings

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
100.0%	\$305,395.61	\$508,892.00	\$(39,838.96) LT \$14,850.36 ST	\$17,749.84 \$487.26	3.49%

TOTAL ENDING MARKET VALUE

2 - You, or a third party, have provided the transaction details for this position.  
D - Periodic payments on this security consist of interest and option premium. The cost basis for this tax lot is reduced by the option premium received. The interest portion is reported on Form 1099-INT.  
Unrealized Gain/Loss Totals only reflect positions that have cost basis information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included.

**JOHN R. CARLSON &  
JUNE L. CARLSON JTWS**

**CLIENT STATEMENT** | For the Period September 1-30, 2009

## Activity

## CASH FLOW ACTIVITY

Transaction Settlement		Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
8/31	8/31	Tax Exempt Dividend	VAN KAMPEN HIGH YIELD MUNI C DIV PAYMENT				\$549.37
8/31	8/31	Tax Exempt Dividend	VAN KAMPEN HIGH YIELD MUNI A DIV PAYMENT				140.74
8/31	8/31	Tax Exempt Dividend	FIDELITY MN MUNI INC DIV PAYMENT				123.20
8/31	8/31	Dividend Reinvestment	VAN KAMPEN HIGH YIELD MUNI C	REINVESTMENT	63.732	8.6200	(549.37)
8/31	8/31	Dividend Reinvestment	VAN KAMPEN HIGH YIELD MUNI A	REINVESTMENT	16.289	8.6400	(140.74)
8/31	8/31	Dividend Reinvestment	FIDELITY MN MUNI INC	REINVESTMENT	10.893	11.3100	(123.20)
9/1	9/1	Dividend	WELLS FARGO & CO NEW				15.50
9/1	9/1	Interest Income	MGM MIRAGE 6750 12SP01				337.50
9/21	9/21	Bought	CMS SPX HYB RANGE10000 *24SP21	YIELD NOT DETERMINABLE	15,000.000	100.0000	(15,000.00)
9/23	9/23	Tax Exempt Dividend	MINNESOTA MUNI INC PORTFOLIO				105.51
9/23	9/23	Dividend Reinvestment	MINNESOTA MUNI INC PORTFOLIO	DIVIDEND REINVESTMENT	7.148	14.7600	(105.51)
9/24	9/24	Sold	UNIT VK SELECT 10 INDUS 2008-5		1,233.000	6.2739	7,730.47
9/29	9/29	Bought	UNIT VK SELECT 10 INDUS 2009-5		757.000	10.2019	(7,722.84)
9/25	9/25	Dividend	UNIT VK VALUE EQUITY & INC 084				97.45
9/25	9/25	Dividend	UNIT CLAY DG INTL INFR 2 PAYMENT				50.55
9/25	9/25	Dividend	UNIT VK SELECT 10 INDUS 2009-4				18.05
9/25	9/25	Dividend	UNIT VK BIRINYI TRUST 21				13.14
9/25	9/25	Dividend	UNIT CLAY DG INTL INFR 2				0.50
9/25	9/25	Dividend Reinvestment	UNIT CLAY DG INTL INFR 2 MS PRIME INCOME TRUST	REINVESTMENT	6.000	8.3780	(50.27)
9/28	9/28	Dividend	DIV PAYMENT				51.40
9/28	9/28	Dividend Reinvestment	MS PRIME INCOME TRUST	REINVESTMENT	7.406	6.9400	(51.40)
9/29	9/29	Tax Exempt Dividend	MS ACTIVE ASSETS TAX FR TRUST DIV PAYMENT				0.37
9/30	9/30	Dividend	DWS DREMAN VAL.INC.EDGE FD NEW				1.26
NET INFLOWS/(OUTFLOWS)							\$(14,508.32)

Purchase and Sale transactions above may have received an average price execution. Details regarding the actual prices are available upon request.

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Activity

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

MMF AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Bank Deposit Program/ Money Market Funds
9/1	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	\$1.26
9/2	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	353.00
9/21	Automatic Redemption	MS ACTIVE ASSETS TAX FR TRUST	(15,000.00)
9/28	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	129.42
9/30	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST	0.37
9/30	Automatic Redemption	MS ACTIVE ASSETS TAX FR TRUST	(7,706.38)
NET ACTIVITY FOR PERIOD			\$(22,222.33)

REALIZED GAIN/(LOSS) DETAIL

LONG-TERM

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
DELTA AIR LINES INC NEW	06/13/01	02/19/09		\$1.74	\$0.00	\$1.74	Cash in Lieu
DWS DREMAN VAL INC EDGE FD NEW	01/02/08	08/07/09	0.083	0.84	2.25	(1.41)	
UNIT VK GLOBAL 45 2008-1	01/11/08	01/13/09	1,428.000	7,527.22	12,953.52	(5,426.30)	
UNIT VK INTL REAL ESTATE 08-2	03/20/08	03/25/09	1,140.000	21.19	21.19	0.00	
	03/20/08	04/25/09	1,140.000	71.52	71.52	0.00	
	03/20/08	06/24/09	1,140.000	5,942.36	11,030.12	(5,087.76)	
UNIT VK SELECT 10 INDUS 2008-5	09/08/08	09/24/09	1,156.000	7,247.71	13,108.59	(5,860.88)	
Long-Term This Period				\$7,247.71	\$13,108.59	\$(5,860.88)	
Long-Term Year to Date				\$20,812.58	\$37,187.19	\$(16,374.61)	

SHORT-TERM

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
REV CVT ON WFC	10/00 2-27-09	03/02/09	10,000.000	10,110.55	10,000.00	110.55	D
UNIT VK GLOBAL 45 2008-1	05/25/08	01/13/09	14.000	73.80	121.37	(47.57)	
	08/25/08	01/13/09	20.000	105.42	150.15	(44.73)	
	09/25/08	01/13/09	2.000	10.54	14.93	(4.39)	
	11/25/08	01/13/09	21.000	110.69	97.38	13.31	
UNIT VK GLOBAL 45 2009-1	01/13/09	05/25/09	855.000	16.55	16.55	0.00	
UNIT VK INTL REAL ESTATE 08-2	07/25/08	03/25/09	1.000	0.02	0.02	0.00	
	10/25/08	03/25/09	9.000	0.17	0.17	0.00	

CONTINUED

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2009

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

## Activity

### REALIZED GAIN/(LOSS) DETAIL

#### SHORT-TERM (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
UNIT VK SELECT 10 INDUS 2008-4	11/25/08	03/25/09	43.000	0.79	0.79	0.00	
	07/25/08	04/25/09	1.000	0.06	0.06	0.00	
	10/25/08	04/25/09	9.000	0.56	0.56	0.00	
	11/25/08	04/25/09	43.000	2.71	2.71	0.00	
	07/25/08	06/24/09	1.000	5.21	8.58	(3.37)	
	10/25/08	06/24/09	9.000	46.91	45.45	1.46	
	11/25/08	06/24/09	43.000	224.14	159.80	64.34	
	07/14/08	06/25/09	758.000	39.28	39.28	0.00	
	07/14/08	06/25/09	758.000	0.38	0.38	0.00	
	08/25/08	06/25/09	1.000	39.28	39.28	0.00	
UNIT VK SELECT 10 INDUS 2008-5	09/25/08	06/25/09	2.000	39.28	39.28	0.00	
	10/25/08	06/25/09	4.000	39.28	39.28	0.00	
	11/25/08	06/25/09	6.000	39.28	39.28	0.00	
	12/25/08	06/25/09	3.000	39.28	39.28	0.00	
	01/25/09	06/25/09	4.000	39.28	39.28	0.00	
	02/25/09	06/25/09	7.000	39.28	39.28	0.00	
	03/25/09	06/25/09	2.000	39.28	39.28	0.00	
	04/25/09	06/25/09	2.000	39.28	39.28	0.00	
	05/25/09	06/25/09	4.000	39.30	39.30	0.00	
	05/25/09	06/25/09	4.000	39.28	39.28	0.00	
	07/14/08	07/09/09	758.000	4,032.09	9,615.56	(5,583.47)	
	08/25/08	07/09/09	1.000	5.32	9.79	(4.47)	
	09/25/08	07/09/09	2.000	10.64	20.03	(9.39)	
	10/25/08	07/09/09	4.000	21.28	30.04	(8.76)	
	11/25/08	07/09/09	6.000	31.92	31.46	0.46	
	12/25/08	07/09/09	3.000	15.96	19.37	(3.41)	
UNIT VK SELECT 10 INDUS 2008-5	01/25/09	07/09/09	4.000	21.28	22.22	(0.94)	
	02/25/09	07/09/09	7.000	37.24	32.08	5.16	
	03/25/09	07/09/09	2.000	10.64	9.92	0.72	
	04/25/09	07/09/09	2.000	10.64	10.70	(0.06)	
	05/25/09	07/09/09	4.000	21.28	22.91	(1.63)	
	10/25/08	09/24/09	29.000	181.82	190.54	(8.72)	
	11/25/08	09/24/09	9.000	56.43	43.13	13.30	
	12/25/08	09/24/09	4.000	25.08	23.57	1.51	
	01/25/09	09/24/09	6.000	37.62	30.46	7.16	
	02/25/09	09/24/09	11.000	68.97	47.50	21.47	

CONTINUED

ALGPPHMHUBWCK  
AEECCBQXABWLC  
DBLDBLCCCLLC

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Activity

JOHN R CARLSON &  
JUNE L CARLSON JTWROS

REALIZED GAIN/(LOSS) DETAIL

SHORT-TERM (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
UNIT VK VALUE EQUITY & INC 084	03/25/09	09/24/09	3.000	18.81	13.63	5.18	
	04/25/09	09/24/09	4.000	25.08	20.02	5.06	
	05/25/09	09/24/09	7.000	43.89	37.47	6.42	
	06/25/09	09/24/09	1.000	6.27	5.10	1.17	
	07/25/09	09/24/09	3.000	18.81	16.46	2.35	
	11/14/08	01/25/09	1,132.000	13.60	13.60	0.00	
UNIT VK SELECT 10 INDUS 2008-4	12/25/08	01/25/09	10.000	0.12	0.12	0.00	
	12/26/08	01/25/09	5.000	118.98	118.98	0.00	
	11/14/08	01/26/09	1,132.000	118.92	118.92	0.00	
	12/25/08	01/26/09	10.000	118.92	118.92	0.00	
	12/26/08	01/26/09	5.000	118.92	118.92	0.00	
Short-Term This Period				\$482.78	\$427.88	\$54.90	
Short-Term Year to Date				\$16,370.41	\$21,831.70	\$(5,461.29)	

MISSING COST

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
UNIT VK SELECT 10 INDUS 2008-4		06/25/09	1.000	0.00	Please Provide	N/A	
		06/25/09	2.000	0.00	Please Provide	N/A	
		06/25/09	4.000	0.00	Please Provide	N/A	
		06/25/09	6.000	0.00	Please Provide	N/A	
		06/25/09	3.000	0.00	Please Provide	N/A	
		06/25/09	4.000	0.00	Please Provide	N/A	
		06/25/09	7.000	0.00	Please Provide	N/A	
		06/25/09	2.000	0.00	Please Provide	N/A	
		06/25/09	2.000	0.00	Please Provide	N/A	
		06/25/09	2.000	0.00	Please Provide	N/A	
Missing Cost This Period				\$0.00	N/A	N/A	
Missing Cost Year to Date				\$0.00	N/A	N/A	



MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Activity

JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)
Net Realized Gain/(Loss) This Period	\$7,730.49	\$13,536.47	\$(5,805.98)
Net Realized Gain/(Loss) Year to Date	\$37,182.99	\$59,018.89	\$(21,835.90)

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

See the end of holdings for definitions of all lettered and numbered footnotes.

MorganStanley  
SmithBarney

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

CLIENT STATEMENT | For the Period September 1-30, 2009

Messages

UIGEA Disclosure Notification for Existing

Commercial Customers

This Notice is to inform you of your responsibilities under the Unlawful Internet Gambling Enforcement Act ("the Act"), which becomes effective December 1, 2009. Under the Act, neither you nor any other person who has an ownership interest in or authority over, your account may use it to process or facilitate payments for restricted Internet gambling transactions. For additional information regarding your responsibilities under the Act, including the types of transactions that may be restricted or prohibited by law, please refer to: <http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20081112a1.pdf>

Notice of Changes to World Card Reward Program

Effective November 1, 2009, changes will be made to the World Card Rewards Program. You will still be able to redeem points for fees and commissions, however the 50% point bonus offer on Financial Reward redemptions will no longer be available. Additionally, the Fixed Air Rewards option (30,000 points for a round-trip airline ticket for a value up to \$500) is being discontinued. You can still redeem points for Flexible Air Rewards (5,000 points for every \$50). If you have any further questions, please contact your Financial Advisor or Customer Service at 1-800-688-3462.

TLGP Debt: Temporary Liquidity Guarantee

Program Debt

Bonds issued under the FDIC's Temporary Liquidity Guarantee Program (TLGP) are backed by the full faith and credit of the United States through the earlier of the maturity date of the debt or June 30, 2012 for securities issued prior to April 1, 2009, and the earlier of the maturity date of the debt or December 31, 2012 for securities issued on or after April 1, 2009. For more information visit

[www.fdic.gov/tlgp](http://www.fdic.gov/tlgp). Guarantees do not eliminate market risk.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Asset Classification

We classify the assets on your statement based on certain general characteristics, such as: income generation, underlying capital structure, or exposure to certain market sectors. Asset classification decisions are often influenced by marketplace conventions and are designed to be informative and provide clients with a particular, non-exclusive, view of their portfolio. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. Please contact your Financial Advisor for more information.

Important Information About Auction Rate

Securities

The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.

Please note due to recent market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market

transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley & Co. Incorporated by outside pricing services and/or from Morgan Stanley & Co. Incorporated's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to [www.morganstanleyclientserv.com/welcome](http://www.morganstanleyclientserv.com/welcome).

MorganStanley  
SmithBarney



This page intentionally left blank

**Morgan Stanley  
Smith Barney**

JOHN R. CARLSON &  
JUNE L. CARLSON JTWS

**Your Information** We will consider this information correct unless you let us know of any changes or errors. In addition, please notify the Firm of any future changes to this information.

**Your account agreements.** If you would like to receive copies of your executed agreements relating to your account(s), please contact your Financial Advisor or the Client Interaction Center at (800) 869-3326.

## CORRECTED INFORMATION

**CORRECTED INFORMATION**

**CLIENT STATEMENT** | For the Period September 1-30, 2009

# Change in Your Information

**PLEASE CHECK THAT OUR RECORDS ARE CORRECT**

In a continuing effort to keep our client records up to date, listed below is the information we have on file for your account. Please review this for accuracy, and if any corrections are required, **circle the incorrect information below and write the correct information on the lines to the right.** Then immediately return the updated account record to:

**National New Accounts Department**  
**PO Box 809082**  
**Dallas TX, 75380-9733**

**INFORMATION CURRENTLY ON FILE**

**Account Registration**  
JOHN R CARLSON &  
JUNE L CARLSON JTWROS  
6832 STONEWOOD COURT  
EDEN PRAIRIE MN 55346-2946

Annual Income	\$100,000
Net Worth	\$900,000

Investment Objectives Capital Appreciation, Income

ACCOUNT OWNER 1 JOHN R CARLSON

**Legal Address**

Date of Birth mm/dd/1940

**Telephone Number 952-937-8649**

Occupation Area

## GOVERNMENT

Occupation PROFESSIONAL

For your reference, below you'll find a description of the investment objective(s):

**income** - for investors seeking regular income with low to moderate risk to principal

- Capital Appreciation** - for investors seeking capital appreciation with moderate to high risk to principal
- Aggressive Income** - for investors seeking higher returns either as growth or as income with greater risk to principal
- Speculation** - for investors seeking high profits or quick returns with considerable possibility of losing most or all of their investment

CONTINUED

## PERSONAL ACCOUNTS

## RETIREMENT ACCOUNTS

EDUCATION  
ACCOUNTSTRUST  
ACCOUNTS

**BUSINESS  
ACCOUNTS**

Active Assets Account  
# 319-061364-072Z  
Y

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

Change in Your Information (CONTINUED)

JOHN R CARLSON &  
JUNE L CARLSON JTWR05

ACCOUNT OWNER 2 JUNE L CARLSON  
Legal Address N/A  
N/A  
N/A

Tax I.D. XXX-XX-7865  
Date of Birth mm/dd/1940  
Telephone Number NOT PROVIDED

Occupation Area OTHER

Occupation OTHER


ALCORPENNHEIMCK  
ALCORPENNHEIMCK  
DBCCBIBIBIBIBIB

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2009

## Disclosure

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

### Account Servicing

Account(s) carried with Morgan Stanley & Co. Incorporated ("Morgan Stanley"), member SIPC. New York Stock Exchange Rule 382 requires that Morgan Stanley Smith Barney LLC ("MSSB") and Morgan Stanley allocate between them certain functions regarding the administration of your brokerage account. A more complete description is available upon request.

### Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

### Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to

IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA. You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

### Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley financial statements to you semiannually; copies are also available on request, by mail.

### Certain Assets Not Held At Morgan Stanley

You may purchase certain assets through MSSB and/or Morgan Stanley that may be held at a financial institution other than Morgan Stanley. Assets not held at Morgan Stanley may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for

information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley performs all tax reporting.

### Errors and Inquiries

If you do not understand an entry on this statement or suspect an error was made, it is essential that you immediately contact the manager of the MSSB office servicing your account and Morgan Stanley. You may contact Morgan Stanley at 212-276-6760. Oral communications with MSSB and/or Morgan Stanley regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). We will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand.

### Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a quarterly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or MSSB, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

### Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

### Margin Interest Charges

Morgan Stanley calculates interest charges on

CONTINUED

Active Assets Account  
# 319-061364-072

Y \_\_\_\_\_ Z

Page 23  
of 24

039110 12/12



# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

#BWNJGWM

JOHN R CARLSON &  
JUNE L CARLSON JTWROS  
6832 STONEWOOD COURT  
EDEN PRAIRIE MN 55346-2946

TOTAL VALUE LAST PERIOD (as of 8/31/10)	\$554,139.02
NET CONTRIBUTIONS/WITHDRAWALS	—
CHANGE IN VALUE (Incl. Sept. Accr. Int.)	15,364.64
<b>TOTAL VALUE OF YOUR ACCOUNT</b> (as of 9/30/10)	<b>\$569,503.66</b>

## Your Branch

8300 NORMAN CENTER DR. STE 1150  
BLOOMINGTON, MN 55437  
Telephone: 952-921-1900  
Alt. Phone: 800-927-1990  
Fax: 952-921-1944

## Client Interaction Center

800-869-3326  
24 Hours a Day, 7 Days a Week

## Access your accounts online

[www.morganstanley.com/online](http://www.morganstanley.com/online)

**Your Financial Advisor Team**  
The Johnson ~ Halabrin Group  
952-841-6450

## Your Financial Advisors

Mark Johnson  
Judith Halabrin  
William Barton McNabb  
Debbie McKinney  
Ann Johnson

Morgan Stanley Smith Barney LLC. Member SIPC.



# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

## Account Summary

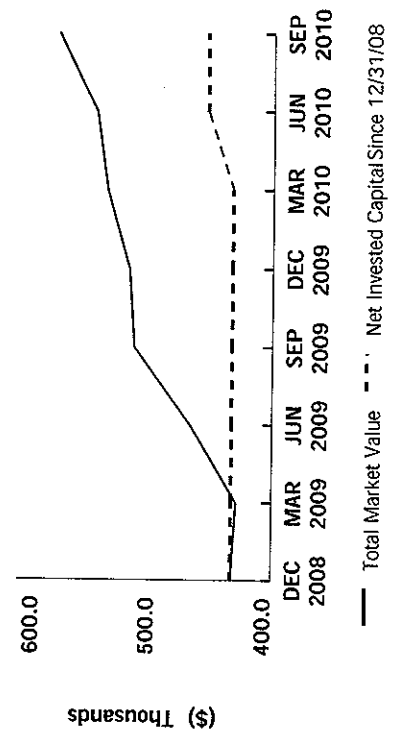
Brokerage Account  
Householding Anniversary Date: 10/25/02  
Investment Objectives†: Capital Appreciation, Income

### CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
<b>Total Beginning Value</b>	<b>\$513,305.73</b>	<b>\$554,139.02</b>
Contributions	20,000.00	—
Withdrawals	—	—
Security Transfers	—	—
<b>Net Contributions/Withdrawals</b>	<b>\$20,000.00</b>	<b>—</b>
Accrued Interest - Sept. Adjustment	715.49	715.49
Change in Value	35,482.44	14,649.15
<b>Total Ending Value (includes accrued interest)</b>	<b>\$569,503.66</b>	<b>\$569,503.66</b>

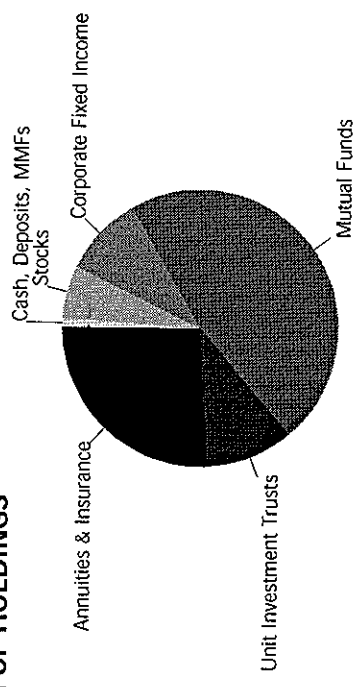
### CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



This exhibit may not include transactions for investments in Annuities or where Morgan Stanley Smith Barney is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. Please see the Messages section for important changes this month regarding accrued interest. † See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

### ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, Deposits, MMFs*	\$6,267.66	1.1
Stocks	34,618.01	6.1
Corporate Fixed Income ^	53,964.49	9.5
Mutual Funds	268,081.32	47.1
Unit Investment Trusts	58,999.30	10.4
Annuities & Insurance	147,572.88	25.9
<b>TOTAL VALUE ^</b>	<b>\$569,503.66</b>	<b>100.0%</b>

We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. \* Bank Deposits are eligible for FDIC insurance; FDIC rules apply and deposits are not SIPC insured. Cash and securities (including Money Market Funds) are eligible for SIPC coverage. Please see disclosures at end of the statement(s). ^ Includes Accrued Interest

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account JOHN R CARLSON &  
332-110640-332 JUNE L CARLSON JTWROS

## Account Summary

### BALANCE SHEET

	Last Period (as of 8/31/10)	This Period (as of 9/30/10)
<b>TOTAL VALUE (incl. accr. int.)</b>	<b>\$554,139.02</b>	<b>\$569,503.66</b>
<b>ASSETS</b>	<b>\$554,139.02</b>	<b>\$569,503.66</b>
Cash, Deposits, MMFs	5,368.28	6,267.66
Stocks	33,576.14	34,618.01
Municipal Bonds	—	—
Corporate Fixed Income ^	51,838.90	53,964.49
Government Securities	—	—
Certificates of Deposit	—	—
Mutual Funds	265,162.51	268,081.32
Unit Investment Trusts	54,968.99	58,999.30
Annuities & Insurance	143,224.20	147,572.88
Other	—	—

### LIABILITIES (Outstanding Balance)

There are no liabilities for this account.

^ Includes Accrued Interest

### CASH FLOW

	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
<b>OPENING CASH BALANCE</b>	<b>\$29,772.69</b>	<b>\$5,368.28</b>
<b>NET CREDITS/DEBITS</b>	<b>\$20,000.00</b>	<b>—</b>
<b>CREDITS</b>	<b>\$20,000.00</b>	<b>—</b>
Checks Deposited	20,000.00	—
Electronic Transfers	—	—
Other Credits	—	—
<b>DEBITS</b>	<b>—</b>	<b>—</b>
World Card	—	—
ATM/Cash Advances	—	—
Checks Written	—	—
Automated Payments	—	—
Electronic Transfers	—	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	—	—
<b>NET CASH FROM INVESTMENTS</b>	<b>\$(43,505.03)</b>	<b>\$899.38</b>
Income	14,282.18	2,049.87
Dividend Reinvestments	(9,391.30)	(1,159.91)
Purchases	(92,910.09)	9.42
Sales/Redemptions	44,514.18	—
<b>CLOSING CASH BALANCE</b>	<b>\$6,267.66</b>	<b>\$6,267.66</b>

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332

JOHN R. CARLSON &  
JUNEL CARLSON JTWR05

## Account Summary

### INCOME SUMMARY

	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
<b>TOTAL INCOME</b>	<b>\$13,440.54</b>	<b>\$2,049.87</b>
<b>TAXABLE INCOME</b>	<b>5,534.58</b>	<b>1,030.69</b>
Dividends	2,367.01	315.11
Capital Gain Distributions	—	—
Interest	3,167.57	715.58
Other Income	—	—
<b>TAX-EXEMPT INCOME</b>	<b>7,905.96</b>	<b>1,019.18</b>
Dividends	7,905.96	1,019.18
Interest	—	—

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.

### GAIN/(LOSS) SUMMARY

	This Year (1/1/10-9/30/10)	Short-Term	Long-Term
<b>NET REALIZED</b>	<b>\$1,966.28</b>	<b>\$1,966.28</b>	<b>\$1,652.22</b>
Gain	1,967.09	1,967.09	2,822.79
(Loss)	(0.81)	(0.81)	(1,170.57)
<b>This Period (9/1/10-9/30/10)</b>	<b>Short-Term</b>	<b>Long-Term</b>	
<b>NET REALIZED</b>	<b>—</b>	<b>—</b>	<b>—</b>
Gain	—	—	—
(Loss)	—	—	—
<b>NET UNREALIZED (9/30/10)</b>	<b>\$4,076.28</b>	<b>\$4,076.28</b>	<b>\$23,458.98</b>
Gain	4,479.72	4,479.72	10,043.28
(Loss)	(403.44)	(403.44)	(33,502.26)

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Gain / loss summary information may change due to basis adjustments.

Please refer to the gain / loss section of the disclosures for additional information.

### ADDITIONAL ACCOUNT INFORMATION

Category	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
Accrued Interest Paid	\$463.87	—	300.17	—
Return of Principal	116.14	—	—	—
Accrued Interest Sold	—	—	—	—

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Holdings

Active Assets Account  
332-110640-332

JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.

Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

Gain/loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting.

From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	\$1.68			
MS ACTIVE ASSETS TAX FR TRUST	6,265.98	0.63	0.010	-
Percentage of Assets % 1.1%				
CASH, DEPOSITS AND MONEY MARKET FUNDS		Market Value \$6,267.66		Estimated Annual Income \$0.63 Accrued Interest \$0.00

Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

Money market funds seek to maintain a share price of \$1.00, therefore the dollar amounts listed equal the number of shares. Additional information concerning these transactions is available upon request. For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

The money market funds reflected above include the balances in your automatic sweep feature, if any, and may include other money market funds that have been purchased in your account.

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

## Holdings

### STOCKS

#### COMMON STOCKS

Morgan Stanley & Co. Incorporated (Morgan Stanley), Citi Investment Research & Analysis (CIRA), and Standard & Poor's research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both Morgan Stanley and CIRA, you can and should view both research reports. Morgan Stanley and CIRA research reports may contain different or conflicting information about the subject companies of such research reports because they are prepared separately from each other. For ease of comparison, Morgan Stanley and Standard & Poor's research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Please refer to the end of this statement for a summary guide describing CIRA, Morgan Stanley and Standard & Poor's ratings. Morgan Stanley Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's.

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
<b>DELTA AIR LINES INC NEW (DAL)</b>								
	6/13/01	114.500	\$44.562	\$5,102.35	\$1,332.78	\$(3,769.57) LT		
	6/18/01	114.500	44.540	5,099.85	1,332.78	(3,767.07) LT		
	—	15.000	—	Please Provide	174.60	N/A		
<b>Total</b>		244.000		10,202.20	<b>2,840.16</b>	(7,536.64) LT	—	—
Share Price: \$11.640; Rating: Morgan Stanley: 1, S&P: 1								
<b>DWS DREMAN VAL.INC.EDGE FD NEW (DHG)</b>								
	—	—	0.000	0.00	0.00			
Long Term Reinvestments		21.000		566.80	281.40	(285.40) LT		
<b>Total</b>		21.000		566.80	<b>281.40</b>	(285.40) LT	20.16	7.16
Share Price: \$13.400; Next Dividend Payable 10/10								
<b>MINNESOTA MUNI INC PORTFOLIO (MXA)</b>								
	—	881.000	—	Please Provide	13,919.79	N/A		
Purchases		881.000		0.00	<b>13,919.79</b>			
Long Term Reinvestments		532.972		7,629.35	8,420.95	791.60 LT		
Short Term Reinvestments		86.712		1,323.00	1,370.04	47.04 ST		
<b>Total</b>		1,500.684		8,952.35	<b>23,710.80</b>	791.60 LT 47.04 ST	1,350.62	5.69
Share Price: \$15.800; Next Dividend Payable 10/10								
<b>WELLS FARGO &amp; CO NEW (WFC)</b>								
	3/3/09	310.000	29.693	9,204.77	7,785.65	(1,419.12) LT	62.00	0.79
Share Price: \$25.115; Rating: Morgan Stanley: 1, Citigroup: 2H, S&P: 1; Next Dividend Payable 12/10								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
<b>STOCKS</b>	<b>6.1%</b>	<b>\$28,926.12</b>	<b>\$34,618.01</b>	<b>\$(8,449.56) LT</b>	<b>\$1,432.78</b>	<b>4.14%</b>
				<b>\$47.04 ST</b>	<b>\$0.00</b>	

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

Holdings

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
CONTRA DELTA AIR LINES INC CUSIP 24799AKA9	5/3/07	10,000,000	\$0.000	—	\$175.00	\$175.00 LT 2	—	—
Unit Price: \$1.750; Coupon Rate 7.700%; Matures 12/15/05; Int. Semi-Annually Jun/Dec 15; In Default; S&P D; Issued 12/14/99								
FORD MOTOR CREDIT CO LLC CUSIP 345397VG5	7/12/07	10,000,000	98.803	9,880.25	10,635.20	754.95 LT	780.00	7.33
Unit Price: \$106.352; Coupon Rate 7.800%; Matures 06/01/12; Int. Semi-Annually Jun/Dec 01; Yield to Maturity 3.831%; Moody BA3 S&P B+; Issued 05/22/07								
MGM MIRAGE CUSIP 552953AL5	6/15/05	10,000,000	105.553	10,555.25	9,450.00	(720.70) LT	675.00	7.14
Unit Price: \$94.500; Coupon Rate 6.750%; Matures 09/01/12; Int. Semi-Annually Mar/Sep 01; Yield to Maturity 9.962%; Moody CAA1 S&P CCC+; Issued 08/25/04								
15YR 10% DUAL RANGE ACCRUAL ON CMS SPX DUE 2024 BY MS CUSIP 617482GW8	9/3/09	15,000,000	100.000	15,000.00	15,075.00	75.00 LT	1,500.00	9.95
Unit Price: \$100.500; Coupon Rate 10.00%; Matures 09/21/24; Interest Paid Quarterly Jun 21; Callable \$100.00 on 12/21/10; Yield to Maturity 9.932%; Floater; Issued 09/21/09								
BARCLAYS BK PLC A 6.278% FIXED TO 12/2034 FLOATS THEREAFTER CUSIP 06738C828	4/23/10	20,000,000	88.030	17,606.00	17,888.00	282.00 ST	1,255.60	7.01
Unit Price: \$89.440; Coupon Rate 6.278%; Matures 12/29/49; Int. Semi-Annually Jun/Dec 15; Callable \$100.00 on 12/15/34; Yield to Maturity 7.076%; Floater; Moody BAA3 S&P A-; Issued 06/08/05								
CORPORATE BONDS								
Total								
Unit Price: \$53.041; Coupon Rate 6.278%; Matures 12/29/49; Int. Semi-Annually Jun/Dec 15; Callable \$100.00 on 12/15/34; Yield to Maturity 7.076%; Floater; Moody BAA3 S&P A-; Issued 06/08/05								
CORPORATE BONDS								
Total								
Unit Price: \$52.656; Coupon Rate 6.278%; Matures 12/29/49; Int. Semi-Annually Jun/Dec 15; Callable \$100.00 on 12/15/34; Yield to Maturity 7.076%; Floater; Moody BAA3 S&P A-; Issued 06/08/05								

FIXED-RATE CAPITAL SECURITIES

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
LEHMAN CAPITAL TRUST IV CUSIP 52520B206	6/20/08	500,000	\$17.277	\$8,638.51	\$21.50	\$(8,617.01) LT	—	—
Unit Price: \$0.043; Coupon Rate 6.375%; Matures 10/31/52; Interest Paid at Maturity; Callable \$25.00 on 10/31/10; Moody W/R								
Total								
Unit Price: \$0.043; Coupon Rate 6.375%; Matures 10/31/52; Interest Paid at Maturity; Callable \$25.00 on 10/31/10; Moody W/R								

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

## Holdings

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
<b>CORPORATE FIXED INCOME</b>								
		Percentage of Assets %		Orig. Total Cost Adj. Total Cost				
				\$63,406.66				
				\$63,022.11	\$53,249.00	\$(10,055.11) LT	\$4,210.60	7.91%
		9.5%			\$53,964.49	\$282.00 ST	\$715.49	
<b>TOTAL CORPORATE FIXED INCOME</b>								
(incl. accr. int.)								
<b>MUTUAL FUNDS</b>								
<b>OTHER MUTUAL FUNDS</b>								
DAVIS NEW YORK VENTURE C (NVVCX)	2/9/10	523.743	\$28.640	\$15,000.00	\$15,832.75	\$832.75 ST		
	5/10/10	326.264	30.650	10,000.00	9,862.96	(137.04) ST		
<b>Total</b>		850.007		25,000.00	25,695.71	695.71 ST	2.00	—
Share Price: \$30.230; Enrolled In Ms Dividend Reinvestment; Capital Gains Reinvest								
FIDELITY MN MUNI INC (FIMIX)	—	3,057.644	—	Please Provide	35,896.74	N/A		
<b>Purchases</b>		3,057.644		0.00	35,896.74			
Long Term Reinvestments		576.911	6,471.31		6,772.94	301.63 LT		
Short Term Reinvestments		129.880	1,491.54		1,524.79	33.25 ST		
<b>Total</b>		3,764.435		7,962.85	44,194.47	301.63 LT	1,464.00	3.31
Market Value vs Total Purchases + Net Value Increase/(Decrease)								
				N/A	44,194.47	33.25 ST		
Share Price: \$11.740; Enrolled In Ms Dividend Reinvestment; Capital Gains Reinvest								
INVECO PRIME INCOME TRUST (XPITX)	2/2/06	1,429.565	9.094	13,000.00	10,507.30	(2,492.70) LT		
<b>Purchases</b>		1,429.565		13,000.00	10,507.30	(2,492.70) LT		
Long Term Reinvestments		393.019	3,089.46		2,888.69	(200.77) LT		
Short Term Reinvestments		84.803	613.13		623.30	10.17 ST		
<b>Total</b>		1,907.387		16,702.59	14,019.29	(2,693.47) LT	732.00	5.22
Continued								

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account JOHN R CARLSON &  
332-110640-332 JUNE L CARLSON JTWROS

## Holdings

### MUTUAL FUNDS OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Market Value vs Total Purchases + Net Value Increase/(Decrease)								
Share Price: \$7.350; Enrolled In Ms Dividend Reinvestment; Capital Gains Reinvest								
INVESCO VK HIGH YIELD MUNI A (ACTHX)								
	3/3/08	1,448.768	10.354	15,000.00	13,980.61	(1,019.39) LT		
	3/27/08	1,174.284	10.474	12,300.00	11,331.84	(968.16) LT		
Purchases		2,623.052		27,300.00	25,312.45	(1,987.55) LT		
Long Term Reinvestments		264.992		2,295.14	2,557.17	262.03 LT		
Short Term Reinvestments		178.421		1,657.87	1,721.76	63.89 ST		
Total		3,066.465		31,253.01	29,591.39	(1,725.52) LT	1,704.00	5.75
Market Value vs Total Purchases + Net Value Increase/(Decrease)								
Share Price: \$9.650; Enrolled In Ms Dividend Reinvestment; Capital Gains Reinvest								
INVESCO VK HIGH YIELD MUNI C (ACTFX)								
	8/17/04	476.644	10.490	5,000.00	4,590.08	(409.92) LT		
	3/30/05	1,072.780	10.705	11,484.00	10,330.87	(1,153.13) LT		
	7/14/05	1,002.256	10.975	11,000.00	9,651.72	(1,348.28) LT		
	6/7/06	1,369.384	10.954	15,000.00	13,187.16	(1,812.84) LT		
	4/13/07	2,247.729	11.122	25,000.00	21,645.63	(3,354.37) LT		
	7/29/08	1,615.631	9.903	16,000.00	15,558.52	(441.48) LT		
	12/15/08	3,364.031	7.432	25,000.00	32,395.61	7,395.61 LT		
	2/9/10	1,626.329	9.223	15,000.00	15,661.54	661.54 ST		
	5/10/10	1,072.961	9.320	10,000.00	10,332.61	332.61 ST		
Purchases		13,847.745		133,484.00	133,353.74	(1,124.41) LT		
Long Term Reinvestments		1,459.511		13,767.63	14,055.09	994.15 ST		
Short Term Reinvestments		744.713		6,913.65	7,171.58	287.46 LT		
Total		16,051.969		154,165.28	154,580.46	(836.95) LT	7,764.00	5.02
Market Value vs Total Purchases + Net Value Increase/(Decrease)								
Share Price: \$9.630; Enrolled In Ms Dividend Reinvestment; Capital Gains Reinvest								
				133,484.00	154,580.46	1,252.08 ST		
					21,096.46			



**CLIENT STATEMENT** | For the Period September 1-30, 2010

**Morgan Stanley  
Smith Barney**

Holdings

Active Assets Account  
332-110640-332

MUTUAL FUNDS					
Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
47.1%	\$235,083.73	\$268,081.32	\$(4,954.31) LT	\$11,666.00	4.35%
			\$2,055.10 ST	\$0.00	

*Transactions in mutual fund positions held directly at the Fund Company are not included in the total above and are not reflected on the Summary Page. For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.*

+ Net Value Increase/(Decrease) compares your Total Purchases (excluding Dividend Reinvestments) with the Market Value of all shares you hold of the fund. This calculation is for informational purposes only, does not reflect your total unrealized gain or loss and should not be used for tax purposes.

## UNIT INVESTMENT TRUSTS

## EQUITY TRUSTS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
UNIT VAN KAMPEN BIRINYI EQUITY SELECT TRUST SERIES 25	10/21/09	845,000	\$10.286	\$8,691.42	\$8,965.87	\$274.45 ST	\$107.06	1.19
Unit Price: \$10.610; Reinvest None								
UNIT VAN KAMPEN COHEN & STEERS VALUE EQUITY & INCOME 2009-4	10/15/09	1,419,000	10.076	14,297.76	15,143.70	845.94 ST	1,248.29	8.24
Unit Price: \$10.672; Reinvest None								
UNIT VAN KAMPEN GLOBAL 45 DIVIDEND STRATEGY 2010-1	1/27/10	1,070,000	9.565	10,234.55	10,668.00	433.45 ST	337.80	3.16
Unit Price: \$9.970; Reinvest None								
UNIT VAN KAMPEN GLOBAL EQUITY DIVIDEND 2	4/8/10	850,000	10.582	8,994.79	8,728.39	(266.40) ST		
Purchases								
		850,000		8,994.79	8,728.39	(266.40) ST		
		18,000		174.85	184.83	9.98 ST		
Total								
		868,000		9,169.64	8,913.23	(256.42) ST	360.31	4.04
Unit Price: \$10.269; Reinvest Full								
UNIT VAN KAMPEN SELECT 10 INDUSTRIAL 2010-3	6/15/10	584,000	9.624	5,620.30	6,015.02	394.72 ST	237.86	3.95
Unit Price: \$10.300; Reinvest None								
UNIT VAN KAMPEN SELECT 10 INDUSTRIAL 2010-5	—	891,000	—	Please Provide	9,293.48	N/A	364.24	3.91
Unit Price: \$10.430; Reinvest None								

## UNIT INVESTMENT TRUSTS

UNIT INVESTMENT TRUSTS	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
	10.4%	\$48,013.67	\$58,999.30	\$1,692.14 ST	\$2,655.56	4.50%
					\$0.00	

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

## Holdings

### ANNUITIES & INSURANCE FIXED RATE ANNUITIES

Security Description	Inception Date	Fund Name	Net Contributions and Withdrawals	Value	Valuation Date	Fixed Rate %	Renewal Date
ALLSTATE ALLSTATE T-LINK PLUS	9/26/05	5 YEAR FIXED	\$13,737.60	\$16,297.61	9/29/10	0.50	9/25/15
Policy # 743533 ALLSTATE ALLSTATE T-LINK PLUS	8/7/06	5 YEAR FIXED	13,232.30	15,755.33	9/29/10		
Policy # 772463 ALLSTATE ALLSTATE T-LINK PLUS	1/20/06	5 YEAR FIXED	31,423.22	37,430.30	9/29/10	4.30	8/6/11
Policy # 752957 ALLSTATE ALLSTATE T-LINK PLUS	11/18/05	5 YEAR FIXED	21,054.16	25,232.86	9/29/10	3.70	1/19/11
Policy # 748674 ALLSTATE SCHEDULED ANNUITY MANAGER	10/6/00	5 YEAR FIXED	8,573.74	10,054.36	9/29/10	3.75	11/17/10
Policy # 399719; Qualified IRA FIXED RATE ANNUITIES		FIXED FIVE YEAR		10,054.36		3.25	10/5/10
				\$104,770.46			
VARIABLE RATE ANNUITIES							
Security Description	Inception Date	Fund Name	Net Contributions and Withdrawals	Value	Valuation Date	Fixed Rate %	Renewal Date
EQUITABLE LIFE AXA EQUITABLE - ELITE 07	11/20/07	EQ/LORD ABBETT GRWTH IN	\$61,777.84	\$42,802.42	9/29/10		
		EQ/ALLIBERN INTERNATIONAL		13,487.74			
		EQ/ALLIBERN SMALL CAP GRO		10,597.70			
		EQ/MID CAP VALUE PLUS		5,018.67			
		EQ/EQUITY GROWTH PLUS		4,801.35			
				8,896.96			
Policy # 307740726							

MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Holdings

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

ANNUITIES & INSURANCE	Percentage of Assets % 25.9%	Market Value \$147,572.88
-----------------------	------------------------------------	------------------------------

Insurance and annuity products and values are displayed for informational purposes only. Values reflect in force annuities purchased or serviced through Morgan Stanley Smith Barney as of date shown as reported by the Insurance carrier. Amounts shown may be subject to surrender and other contract charges. Net Contributions and Withdrawals is defined as either the original purchase price plus additions minus withdrawals or principal withdrawals.

Display of insurance or annuity products on the Morgan Stanley Smith Barney account statement does not confer or imply ownership or beneficial interest on the part of the Morgan Stanley Smith Barney account holder. All ownership, rights, benefits and payments are controlled by the contract between the insurance company and the contract owner as shown on your policy copy.

Annuitized information as provided by the insurance carrier reflects the value of the last payment made as per your instructions and does not imply that the funds were re-deposited into a Morgan Stanley Smith Barney account and are provided for informational purposes only. Surrendered or annuitized policies will not appear as assets on this statement.

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	\$375,045.63	\$568,788.17	\$(23,458.98) LT \$4,076.28 ST	\$19,965.57 \$715.49	3.51%
TOTAL VALUE (includes accrued interest)			\$569,503.66			

2 - You, or a third party, have provided the transaction details for this position.  
Unrealized Gain/Loss Totals only reflect positions that have cost basis information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included.

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account: JOHN R CARLSON &  
332-110640-332 JUNE L CARLSON JTWROS

## Activity

### CASH FLOW ACTIVITY BY DATE

Transaction Settlement Date	Activity Type	Description	Comments	Quantity	Price	Credits/(Debits)
8/31	Tax Exempt Dividend	INVECO VK HIGH YIELD MUNI C				\$644.18
8/31	Tax Exempt Dividend	DIV PAYMENT				
8/31	Tax Exempt Dividend	INVECO VK HIGH YIELD MUNI A				141.05
8/31	Tax Exempt Dividend	DIV PAYMENT				
8/31	Tax Exempt Dividend	FIDELITY MN MUNI INC				121.91
8/31	Tax Exempt Dividend	DIV PAYMENT				
8/31	Dividend	INVECO PRIME INCOME TRUST				60.36
8/31	Dividend	DIV PAYMENT				
8/31	Dividend Reinvestment	INVECO VK HIGH YIELD MUNI C	REINVESTMENT	66.893	9.6300	(644.18)
8/31	Dividend Reinvestment	INVECO VK HIGH YIELD MUNI A	REINVESTMENT	14.617	9.6500	(141.05)
8/31	Dividend Reinvestment	FIDELITY MN MUNI INC	REINVESTMENT	10.340	11.7900	(121.91)
8/31	Dividend Reinvestment	INVECO PRIME INCOME TRUST	REINVESTMENT	8.291	7.2800	(60.36)
9/1	Dividend	WELLS FARGO & CO NEW				15.50
9/1	Interest Income	MGM MIRAGE 6750 12SP01				337.50
9/13	Exchange Out	UNIT VK SELECT 10 INDUS 2009-5	GROSS PROCEEDS 3295.37 IN-KIND ROLLOVER SALE	757.000	11.9423	9,040.33
9/13	Exchange In	UNIT VK SELECT 10 INDUS 2010-5				
9/21	Interest Income-Adj	CMS SPX HYB RANGE10000 *24SP21	IN-KIND ROLLOVER PURCHASE	891.000	10.1357	(9,030.91)
9/22	Tax Exempt Dividend	INTEREST PAYMENT				378.08
9/22	Dividend Reinvestment	MINNESOTA MUNI INC PORTFOLIO				
9/22	Dividend Reinvestment	MINNESOTA MUNI INC PORTFOLIO	DIVIDEND REINVESTMENT ACTED AS AGENT	7.121	15.7300	112.02 (112.02)
9/25	Dividend	UNIT VK VALUE EQUITY & INC 094				98.58
9/25	Dividend	UNIT VK GLOBAL EQ DIVIDEND 2				81.69
9/25	Dividend	UNIT VK SELECT 10 INDUS 2009-5				
9/25	Dividend	UNIT VK SELECT 10 INDUS 2010-3				36.78
9/25	Dividend Reinvestment	UNIT VK GLOBAL EQ DIVIDEND 2	REINVESTMENT	8.000	10.0490	20.52 (80.39)
9/29	Tax Exempt Dividend	MS ACTIVE ASSETS TAX FR TRUST				0.02
9/30	Dividend	DIV PAYMENT				
9/30	Dividend	DWS DREMAN VAL INC EDGE FD NEW				1.68
NET CREDITS/(DEBITS)						\$899.38

Purchase and Sale transactions above may have received an average price execution. Details regarding the actual prices are available upon request.

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332 JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

## Activity

### MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments	Credits/(Debits)
9/1	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST						\$1.68
9/2	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST						353.00
9/17	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST						9.42
9/22	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST						378.08
9/28	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST						157.18
9/30	Automatic Investment	MS ACTIVE ASSETS TAX FR TRUST						0.02
NET ACTIVITY FOR PERIOD								\$899.38

### REALIZED GAIN/(LOSS) DETAIL

#### MISSING COST

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
UNIT VK SELECT 10 INDUS 2009-5		09/13/10	757.000	\$0.00	Please Provide	N/A	Tax Deferred Exchange
Missing Cost This Period							
Missing Cost Year to Date							
Net Realized Gain/(Loss) This Period							
Net Realized Gain/(Loss) Year to Date							
				\$44,276.68	\$40,658.18	\$3,618.50	

Gain/loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting.

From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

# MorganStanley SmithBarney

Active Assets Account JOHN R. CARLSON &  
332-110640-332 JUNE L. CARLSON JTWROS

CLIENT STATEMENT | For the Period September 1-30, 2010

## Messages

### Consolidated Statement of Financial Condition (in thousands of dollars):

At June 30, 2010 Morgan Stanley Smith Barney LLC had net capital of \$1,244,800 which exceeded the Securities and Exchange Commission's minimum requirement by \$1,204,893.

A copy of the Morgan Stanley Smith Barney LLC Consolidated Statement of Financial Condition at June 30, 2010 can be viewed online at: [http://www.morganstanley.com/about/ir/shareholder/morganstanley\\_smithbarney\\_llc.pdf](http://www.morganstanley.com/about/ir/shareholder/morganstanley_smithbarney_llc.pdf) or may be mailed to you at no cost by calling (866) 825-1675, after September 13, 2010.

### Important Message for Holders of Fixed Income Securities (and Global Currency time deposits):

Starting with this month's statement, we have added the accrued interest on fixed income securities to your Total Account Value. As a result, you may notice an increase in the "Total Market Value" line of the "Change in Value Over Time" graph. This increase represents the initial inclusion of this amount, and will also be displayed as a line item titled "Accrued Interest - Sept. Adjustment" in the "Change in Value of Your Accounts" table. For more detail, please refer to the enclosed "FYI" brochure.

### Important Update Regarding Morgan Stanley Rewards

We will be extending our participation in Morgan Stanley Rewards beyond October 29, 2010. Any future changes or updates to our rewards program will be provided in subsequent communications. Please call the number on the back of your card or your Financial Advisor for any additional questions. Thank you.

### Important Information if you are a Margin Customer

If you have a margin account with us, as permitted

by law we may use certain securities in your account for, among other things, settling short sales and lending the securities for short sales, and as a result may receive compensation in connection therewith.

### Important Information Regarding the Bank Deposit Program

Effective July 1, 2010, Morgan Stanley Trust converted from a federal savings bank to a national bank and changed its name to Morgan Stanley Private Bank, National Association (the "Bank"). The Bank participates in the Bank Deposit Program (the "Program") and this conversion has no impact on the terms, conditions or features of the Program. If the Program is the cash sweep investment for your account, you will see the new name of the Bank reflected on your statement to the extent any funds are swept there. For more information about the Program, please visit <http://www.morganstanleyindividual.com/accounts/activeassets>.

### Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

### Important Information About Auction Rate Securities

**The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.**

Due to market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate

Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction, and are not an indication of any offer to purchase at such price. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement in most cases reflect par value, but may be derived from various sources. These prices may differ from: prices provided to us or our affiliates by outside pricing services; or our affiliates' own internal bookkeeping valuations; prices of transactions executed in any secondary market that exists or may develop; and/or the prices at which issuer repurchases or redemptions may occur. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to [www.morganstanleyclientserv.com/welcome](http://www.morganstanleyclientserv.com/welcome).

MorganStanley  
SmithBarney



This page intentionally left blank

# Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period September 1-30, 2010

## Research Ratings Definitions

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWROS

### GUIDE TO MORGAN STANLEY & CO. INCORPORATED (MORGAN STANLEY), CITI INVESTMENT RESEARCH & ANALYSIS (CIRA) AND STANDARD & POOR'S RESEARCH RATINGS

**MORGAN STANLEY RESEARCH RATINGS**  
Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks they cover. Morgan Stanley's ratings, Overweight, Equal-weight, Not-Rated and Underweight, are not the equivalent of Buy, Hold, and Sell, but represent recommended relative weightings. To satisfy regulatory requirements, Morgan Stanley corresponds Overweight, their most positive stock rating, to a Buy recommendation, they correspond Equal-weight and Not-Rated to Hold recommendations, and Underweight to Sell recommendations, respectively. For ease of comparison, Morgan Stanley Smith Barney has normalized these ratings so that 1 corresponds to Buy recommendations, 2 corresponds to Not-Rated and Hold recommendations, and 3 corresponds to Sell recommendations. Please refer to a Morgan Stanley research report for a complete description of Morgan Stanley's rating system and Morgan Stanley's actual proprietary rating on any covered company. Morgan Stanley's ratings are described below:

### MSSB NORMALIZED CODE / MORGAN STANLEY RATING; DEFINITION

- 1 / Overweight (O):** The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months
- 2 / Equal-weight (E):** The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months
- 2 / Not-Rated (NR):** Currently the analyst does not

have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months

**3 / Underweight (U):** The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months

**NAV, NA or \*\* appearing for Morgan Stanley Research indicates that the ratings for this company are not available because of a Morgan Stanley policy.**

### CIRA - COMMON STOCK IN DEVELOPED MARKETS

#### STOCK RATINGS

Investment ratings are based upon CIRA's expectation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating

**Developed Markets (US, UK, Europe, Japan, and Australia/New Zealand)**

### CODE / CIRA RATING: EXPECTED TOTAL RETURN

- 1 / BUY:** 10% or more for Low-Risk stocks, 15% or more for Medium-Risk stocks, 20% or more for High-Risk stocks, and 35% or more for Speculative stocks
- 2 / HOLD:** 0-10% for Low-Risk stocks, 0-15% for Medium-Risk stocks, 0-20% for High-Risk stocks, and 0-35% for Speculative Stocks
- 3 / SELL:** Negative total return

#### STOCK RISK

Takes into account price volatility and a select list of fundamental criteria.

### CODE / CIRA RATING: DEFINITIONS

- L / Low:** High predictability of financial results and

low volatility

**M / Medium:** Moderate predictability of financial results

**H / High:** Low predictability of financial results and high volatility

**S / Speculative:** Exceptionally low financial predictability, highest risk and volatility

### CIRA - COMMON STOCK IN EMERGING MARKETS

#### STOCK RATINGS

Investment ratings are based upon CIRA's expectation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating.

**Emerging Markets (Asia Pacific, Emerging Europe/Middle East/Africa, and Latin America)**

### CODE / CIRA RATING: EXPECTED TOTAL RETURN

- 1 / BUY:** 15% or more for Low-Risk stocks, 20% or more for Medium-Risk stocks, 30% or more for High-Risk stocks, and 40% or more for Speculative stocks
- 2 / HOLD:** 5-15% for Low-Risk stocks, 10-20% for Medium-Risk stocks, 15-30% for High-Risk stocks, and 20-40% for Speculative stocks
- 3 / SELL:** 5% or less for Low-Risk stocks, 10% or less for Medium-Risk stocks, 15% for High-Risk stocks, and 20% or less for Speculative stocks

### CIRA GUIDE TO INVESTMENT RATINGS - CLOSED END FUNDS

#### CLOSED-END FUND RATINGS

Investment ratings are a function of CIRA's expectation of the fund's total return relative to its peer group, and the ability to provide stable to rising dividends, where applicable.

### CODE / CIRA RATING: EXPECTED TOTAL RETURN

- 1 / Outperform:** Expected to outperform its peer group of closed-end funds, and/or the fund is expected to provide stable to rising dividends, where applicable
- 2 / In-Line:** Expected to perform in line with its peer group of closed-end funds, and/or the fund is expected to provide stable dividends, where applicable
- 3 / Underperform:** Expected to underperform its peer group of closed-end funds, and/or the fund is expected to provide a declining dividend, where applicable

### CLOSED-END FUND RISK

Takes into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure.

### CODE / CIRA RATING: DEFINITIONS

- L / Low:** The fund invests in high quality, liquid securities with little to no financial leverage or foreign currency exposure
- M / Medium:** Overall, the fund invests in moderate to high quality, liquid securities with reasonable financial leverage and provides primarily United States Dollar currency exposure
- H / High:** The fund may invest in low quality, less-liquid securities, have exposure to foreign currencies and above average degrees of financial leverage
- S / Speculative:** The fund invests in low grade, illiquid and/or highly volatile securities, have exposure to foreign currency and may also use high degrees of financial leverage

### STANDARD & POOR'S RESEARCH RATINGS

For ease of comparison, Morgan Stanley Smith Barney has normalized Standard & Poor's proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Standard & Poor's rating system. Please refer to a Standard & Poor's research report for a complete description of Standard & Poor's rating system and Standard &

CONTINUED



MorganStanley  
SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

## Research Ratings Definitions (CONTINUED)

Poor's actual proprietary rating on any covered company. Standard & Poor's ratings are described below:

### MSSB NORMALIZED CODE / STANDARD &

#### POOR'S RATING: DEFINITION

**1 / 5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis

**1 / 4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with

shares rising in price on an absolute basis

**2 / 3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis

**3 / 2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain

**3 / 1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

# MorganStanley SmithBarney

Active Assets Account  
332-110640-332 JOHN R. CARLSON &  
JUNE L. CARLSON JTWR0S

CLIENT STATEMENT | For the Period September 1-30, 2010

## Disclosure

### Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

### Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax

deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

### Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley Smith Barney may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley Smith Barney and Morgan Stanley & Co. Incorporated financial statements to you semiannually; copies are also available on request, by mail.

### Certain Assets Not Held At Morgan Stanley Smith Barney

You may purchase certain assets through Morgan Stanley Smith Barney that may be held at a financial institution other than Morgan Stanley Smith Barney. Assets not held at Morgan Stanley Smith Barney may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of networked mutual funds, Morgan Stanley Smith Barney performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley Smith Barney performs all tax reporting.

### Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as provided in your account documentation, we will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand. Please see your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

### Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option

purchases and sales are applied to the Total Cost on a monthly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. From time to time, unrealized gain/loss and YTD realized gain/loss figures may change due to adjustments to cost basis which may also affect previously closed tax lots.

We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or Morgan Stanley Smith Barney, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

### Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

### Margin Interest Charges

Morgan Stanley Smith Barney calculates interest charges on margin loans as follows:

- (1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.
- (2) Divide by 360 (days).

Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley Smith Barney adds the accrued

CONTINUED

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

## Disclosure (CONTINUED)

Active Assets Account JOHN R. CARLSON &  
332-110640-332 JUNE L. CARLSON JTWROS

interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customersevice/disclosures/#5>

**Margin Privileges** (not available for certain accounts such as IRAs or retirement accounts)

If you have margin privileges, you may borrow money from Morgan Stanley Smith Barney in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares the number of shares pledged as collateral will be indicated below the position.

### Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

### Notice Regarding Investment Advisor Research

Morgan Stanley Smith Barney's Investment Advisor Research department conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory programs. If you have instead invested in any of these funds in another type of account, such as a

brokerage account, you will not receive the same research materials and status updates on the funds as we provide to investment advisory clients (including instructions on selling fund shares).

### Pricing of Securities

The prices of securities displayed on this statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy.

For securities listed on an exchange or trading continually in an active marketplace the price reflects the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available). For securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold your investment.

The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley Smith Barney by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

### Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

### SIPC Protection

Securities and cash held in your Morgan Stanley Smith Barney account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley Smith Barney and do not protect against losses due to market fluctuations.

Detailed information is available upon request.

### Special Considerations Regarding Structured Products

Structured Products are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to collusion, compensation or other factors which could adversely affect market value or payout to

investors. In addition, investors should consider the concentration risk of owning the related security and their total exposure to any underlying asset. Structured Products may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

### Taxes

Under Federal Income Tax law, Morgan Stanley Smith Barney is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

### Total Income (This Year/This Period)

Total income as used in the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

CONTINUED

Page 20  
of 22

# MorganStanley SmithBarney

CLIENT STATEMENT | For the Period September 1-30, 2010

Active Assets Account  
332-110640-332  
JOHN R. CARLSON &  
JUNE L. CARLSON JTWR05

## Disclosure (CONTINUED)

### Transaction Dates and Transaction Conditions

All transactions list transaction date and settlement date. Transactions are included on this statement based on settlement date. In the case of unsettled trades, we list the trade based on trade date instead of the settlement date with a notation that the trade is unsettled. Unsettled trades will not be reflected in position and cash balances.

Upon written request, Morgan Stanley Smith Barney will furnish the date and time of a transaction and the name of the other party to a transaction.

Morgan Stanley Smith Barney and/or its affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

MorganStanley  
SmithBarney



This page intentionally left blank